



BANKING

JOURNAL OF THE BANKERS ASSOCIATION

BANKS IN FINANCIAL DISTRICT

TO THIS BANK MAP OF MANHATTAN
PAGE 190

—SPECIALISTS IN—

United States Government Securities



State and Municipal Bonds



C. J. DEVINE & CO.

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BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

SEPTEMBER 1950

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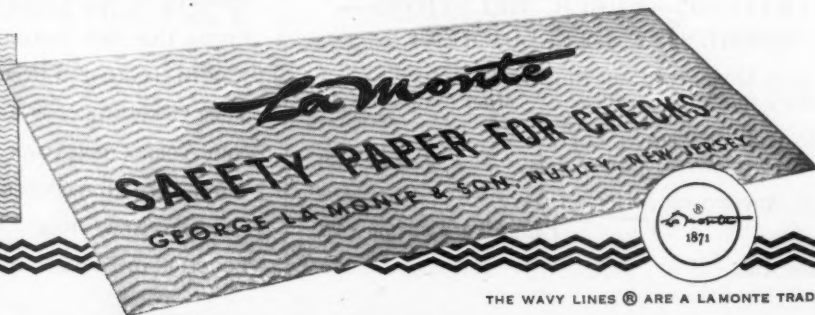
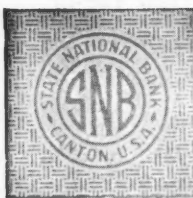


...what a contract!...what a check!

In any important business transaction the checks involved should perform a *double* function. In addition to providing a vehicle for money in transit, they can be a subtle force for better business relations. » » When a check is written on LaMonte Safety Paper the sender gains in the eyes of the recipient... for the recognized safety and quality of LaMonte Safety Papers are characteristics which beget confidence and respect. » » Your Lithographer will be glad to show you samples of the LaMonte line.

A Check Paper All Your Own

Thousands of banks and many of the larger corporations use LaMonte Safety Papers with their own trade-mark or design made in the paper itself. Such INDIVIDUALIZED check paper provides maximum protection against both alteration and counterfeiting—makes identification positive.



THE WAVY LINES ® ARE A LAMONTE TRADE-MARK



Convention Time

ONCE more in the long history of the American Bankers Association, convention time is wartime.

And so this Diamond Anniversary and Outlook Issue of the magazine offers not only a preview of the A.B.A.'s 75th birthday meeting, but a reflection of bankers' thoughts at a moment when war is no longer cold.

We hope you'll find these 216 pages pleasant and profitable. Between the lines you can read banking's dedication to the national interest, its readiness for emergency service.

What Bankers Think

OUR featured article this month is a symposium on the main issues which, in bankers' opinions, confront the country and the banking business. Presidents of the more than 1,600 banks that are at least as old as the Association were asked to express their views on the outlook; the letters we received were

indeed stimulating. They are summarized in "A Time to Watch Our National Step," page 33.

The A.B.A. convention program also provides important viewpoints on the great problems of the day. Among the speakers are Former Presidents ROBERT M. HANES and A. LEE M. WIGGINS.

MR. HANES, president of the Wachovia Bank & Trust Company, Winston-Salem, is Director of Economic Affairs for Germany. MR. WIGGINS, former Under Secretary of the Treasury, is currently an Assistant to the Secretary. He's also chairman of the Bank of Hartsville, South Carolina, and of the Atlantic Coast Line Railroad.

About the Convention

THIS issue allots a 40-page section to the New York convention. You'll find the program; pictures of the A.B.A. official family; a story about New York City; another recalling the 1922 convention, the last full-scale meeting the A.B.A. had in the metropolis; another on the New York Clearing House Convention host.

We also include an "exhibit in print," a paper and ink substitute for the familiar educational displays of bank equipment and services that are usually a convention feature. They're being omitted this year, due to lack of space at convention head-

quarters, so we asked William H. Hurtzman, comptroller of The First National Bank of Philadelphia, to unlimber his typewriter and pinch hit. His extensive article on modern bank operations replaces this month's Methods and Ideas Department.

DICK ERICSON, BANKING's cartoonist, is a bit ahead of time with his sketches of the photographs a banker took while in New York for the convention. DICK's two album pages, 42 and 43, are smileworthy.

Birthday Cards

FEATURES with a 75th birthday angle include "Auld Lang Syne," which tells something about the U.S.A. in 1875, the A.B.A.'s birth year. Maybe those really were the good old days—maybe.

Then, on behalf of the 15,000 members of the American Bankers Association, we salute the 1,657 banks that are 75 years or more old. They are listed, with dates of organization, by states.

Earnings Outlook

JAMES W. WOOSTER, JR., a New York bank and investment analyst who writes for us rather frequently, took a little trip into history and came back with a story on the changing sources of bank earnings during the Association's lifetime—

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

THIS MONTH'S COVER

BANKING's cover this month is a bank map of Manhattan, showing the location of the main offices of banking institutions that are members of the American Bankers Association.

A complete key to the map appears on page 190.

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WE QUOTE

Apropos of current talk of war, with its accompanying "scare" conclusions concerning scarcity of materials, we believe it timely to use our space this month for excerpts taken from our advertising of past years.

From our advertisement of January 1942: "Positiveness is not always in good taste during a period of uncertainty, but we hold the strong conviction that there will be no restrictions placed upon the use of bank checks. Any curtailment would increase the printing of currency, which would have a far-reaching and undesirable effect upon our economy."

From our advertisement of January 1943: "Now, a year has gone by

and, once again, the question is being raised about the scarcity of paper. We don't know any more about it than anyone else but we still believe that there will be plenty of paper available for bank checks."

From our advertisement of October 1943: "Aside from the question of service there has never been any need for banks to load up on checks—there is no need to do so now." And so, in 1950, we say again "There is no need to do so now." Some things may get a little tight and prices may advance, but bank checks will be delivered and, if you buy them from Deluxe, they will be delivered when needed.

De Luxe
CHECK PRINTERS

Manufacturing Plants at:

NEW YORK, CLEVELAND, CHICAGO, KANSAS CITY, ST. PAUL

"This Reverse Spring Action Makes Relaxing So Easy"

It also provides firm back support in the upright position . . . an unique and exclusive Sikes feature that assures

ALL-DAY WORKING COMFORT



NO. X143



"Dollars to doughnuts" you never sat in a chair that provides so much downright ease-in-sitting as this representative Sikes executive chair, — one of several attractive styles. Let our dealer deliver one for you to try. He will adjust the simple controls to give you perfect custom-made comfort. Write for name of nearest dealer.

Companion Chair No. 1922

Generously proportioned, upholstered in top grain leather to match No. X143 . . . this genuine walnut chair has a feeling of richness that impresses visitors.



THE SIKES CO., INC.

24 Churchill St., Buffalo 7, N. Y.



changes that suggest future trends.

"If one goes back no further than 1938," he observes, "the shifts in earning assets and in the sources of bank earnings between that time and the present are substantial and basic. A study of these figures for the past dozen years suggests the directions from which a larger proportion of future bank earnings may be derived."

In appraising the outlook, Mr. WOOSTER offers five observations based on the experience of the past.

Bank Fights Legalized Gambling

IN Arizona there's a hot fight on a proposal, coming before the voters at the next state election, to legalize gambling. The First National Bank of Arizona is vigorously opposing the proposition in newspaper advertisements and statewide speeches by its officers.

"We strongly believe," said the bank early in the campaign, "adoption of legalized gambling in Arizona will have a most serious effect on its people and the economy of the state."

Under the heading "Highroad to Ruin," the bank asserted in an ad: "Take the romance out of gambling and what do you have? Privation, misery and broken homes. Businesses that fail because people cannot pay their bills. Industries, with their payrolls, refusing to locate in Arizona because of unstable economic conditions. There is no quick-

(CONTINUED ON PAGE 6)

"Well, if it isn't the best secretary I ever had! What are you doing with your time these days, Muriel?"



A Business



With 200,000



Employee-Owners



**NOW MORE THAN 200,000 BELL TELEPHONE EMPLOYEES
ARE AMONG THE 970,000 OWNERS OF THE BELL SYSTEM**

A Business Democracy — The telephone business is an outstanding example of a business democracy. Nearly everybody uses the telephone. More than 550,000 men and women operate the business. And 970,000 people own it.

Big Gain in Employee Stockholders—About one American Telephone and Telegraph Company stockholder in every five is a telephone employee. These 200,000 men and women think enough of the business to in-

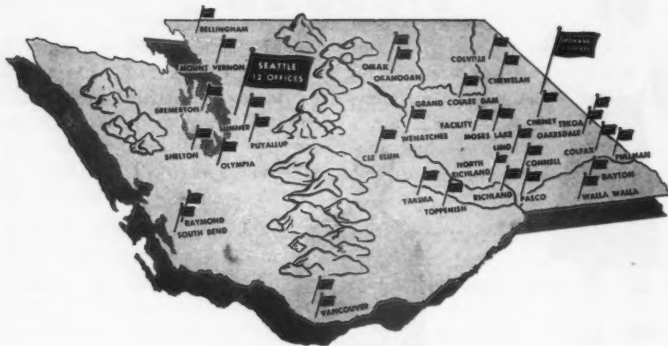
vest their savings in it. In the next year or so, many thousands of other employees will complete payments on stock under the Employee Stock Plan.

Good for Telephone Users—It's the investments of hundreds of thousands of small stockholders in all walks of life in every section of the country—all put together—that provide the dollars that build, improve and expand the best telephone system in the world for you to use at low cost.

BELL TELEPHONE SYSTEM



*About one family in every fifty in the United States now owns A. T. & T. stock.
No other stock is so widely owned by so many people.*



GROWING WITH A GREAT STATE

WHEN THE SEATTLE-FIRST NATIONAL BANK was founded in 1870, the population of Washington Territory—not yet a state—was only 23,955, while the village of Seattle had but 1,107 residents. The bank was housed in a tiny frame building.

During the intervening 80 years, this bank has expanded to meet not only the growing needs of the city which has become the metropolis of the Pacific Northwest but of the entire State of Washington.

Fifty banking offices, located in most of the state's most important areas, are now prepared to serve the financial needs of the state's two and one-half million population.

Correspondent banks find our system of state-wide banking provides more convenient correspondent service. Business firms in other regions with transactions in Washington are afforded many advantages by our state-wide coverage. In each of our banking offices are personnel intimately acquainted with local conditions, while each branch is backed by the financial strength and stability of the entire institution.



JUST A MINUTE—Continued

er way, friends, to undo all the good accomplished in recent years than to vote for legalized gambling in Arizona."

Other ads attacked the proposal from different angles.

HUGH C. GRUWELL, the bank's president, said in a statement: "The record shows plainly that legalized gambling opens the door of entry to every form of undesirable there is. Those of us who love our state, who are proud of its hard-won progress, who are hopeful of still greater things in days to come, are appalled that even the suggestion of promoting a condition which would destroy these gains would be seriously considered for a minute by the electorate."

Courtesy Paid Again

THE manager of the Green Point Savings Bank in Brooklyn received this letter:

"Perhaps you will wonder, after closing my account with you, that I wish to reopen another. Well, it's simply this. After reading on your (closed account) envelope the very nice thoughts of appreciation over my small account, I decided I would like to continue our friendship . . . for after closing nine savings accounts to put my money in savings and loan associations at 3 percent interest, you were the only people who cared enough to say Thank You.

"So let's start another account with the enclosed check . . . in appreciation of a bank like yours."

(CONTINUED ON PAGE 11)

"You'll have to grant this loan in two seconds flat!"





A BANK FOR NEW YORK, THE NATION, AND THE WORLD

The Chase provides its correspondent banks with services covering every possible point of need. Through Chase branches, representatives and correspondents here and abroad, there is no commercially important place in the world that your bank cannot reach.

THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK

Member Federal Deposit Insurance Corporation



OVERSEAS BRANCHES

London
Frankfurt/Main
Heidelberg
Stuttgart
Tokyo
Osaka
Havana
San Juan
Panama
Colon
Cristobal
Balboa

Offices of

Representatives

Mexico, D. F.
Buenos Aires
Rome
Cairo
Bombay

THE CHASE BANK

Paris
Hong Kong

FINANCIAL CIRCLES WERE STILL TALKING...

1875 — the year financial circles were still talking about the chaos of the era just past . . . an era when a man might be rich at sunrise and a pauper at sunset.

That same year, a group of bankers met for a convention at Saratoga Springs to organize an association dedicated to a high standard of banking service . . . the American Bankers Association.



THIS YEAR, 1950, marks the 75th anniversary of this organization. In the rendering of service, the bankers of America have traveled far. In the years past, they have developed their service to clients to a jealously guarded all-time high.

On this occasion, American Express salutes you.

This year, American Express has also reached a milestone—a century of high standard service that has won the trust and confidence of millions of travelers, businessmen and shippers throughout the world. Its network of 150 offices in 27 nations indicates what its mutual work with the American Banking profession has accomplished.

American Express originated the Travelers Cheque in 1891. Today, they are the best known and by far the most widely accepted cheques in the world. Because of the con-

MOST WIDELY ACCEPTED
AMERICAN EXPRESS



venience and security they offer *wherever* people travel, American Express Travelers Cheques have proven to be an excellent source of good-will for banks.

To the thousands of banks which comprise the American Bankers Association, and who are constantly striving to improve banking services, we repeat, at this time, a pledge ... a pledge to maintain in the future the same high standard of dependable service that banks can be proud to offer their customers.

PTED SS CHEQUES IN THE WORLD **TRAVELERS CHEQUES**

September 1950

Ever see a Super-Market three thousand miles long?



Canada is Uncle Sam's biggest customer! In one recent year Canada's dollar imports from the U. S. in *textiles* were equivalent to the entire output of 235 primary textile mills employing 35,757 workers . . . in *hard coal* sufficient to give employment to 8,500 men in Pennsylvania coalfields . . . in *machinery* equal to 53% of the wages paid the machinery industry in Illinois. Last year the U. S. exported to Canada goods valued at close to \$2 billion — more than to any other country.

Sales to Canada are important elements in maintaining U. S. volume, employment, profits. And it is to everybody's advantage to see Canada *continue* as a great and growing customer of the U. S. *But Canada's ability to buy U. S. goods depends on Canada's ability to sell in the U. S.* And remember, every dollar Canada earns selling in the U. S. is spent in the U. S.

Aggressive American business men look to Canada as a desirable source of supply for both raw materials and manufactured goods — as well as an ever-expanding market for sales. They know it's good business to do business with Canada.

Many leading U. S. banks direct their customers to The Canadian Bank when they need a Canadian banking connection. They realize they can rely on The Canadian Bank with 83 years' experience and nearly 600 branches coast to coast — to give the constructive, efficient banking service and valuable market information American business men appreciate.

The Canadian Bank of Commerce

Head Office: Toronto—Branches outside Canada: New York; Seattle; Portland, Ore.; San Francisco; Los Angeles; London, Eng.; Kingston, Jamaica; Bridgetown, Barbados; Port of Spain, Trinidad.

JUST A MINUTE—Continued

The new account was for a larger amount than the one that had been closed.

\$10 Will Get You \$990, If . . .

THE AP reported from St. Petersburg, Florida, that on December 1, 1842, the father of one Charles D. Oliver deposited \$10 to the account of his son in the Worcester County Institution for Savings, Worcester, Massachusetts.

"Years later," continued the item, "Mr. Oliver transferred the account to his daughter, Mrs. Mabel Oliver Ross of St. Petersburg, now 80 years old. She will cash in her account this week and spend the money for what she calls 'good purposes.'"

"When Grandfather Oliver deposited the \$10, savings accounts were paying 8 percent interest. Untouched since 1842, the account now amounts to \$990."

Buried Treasure

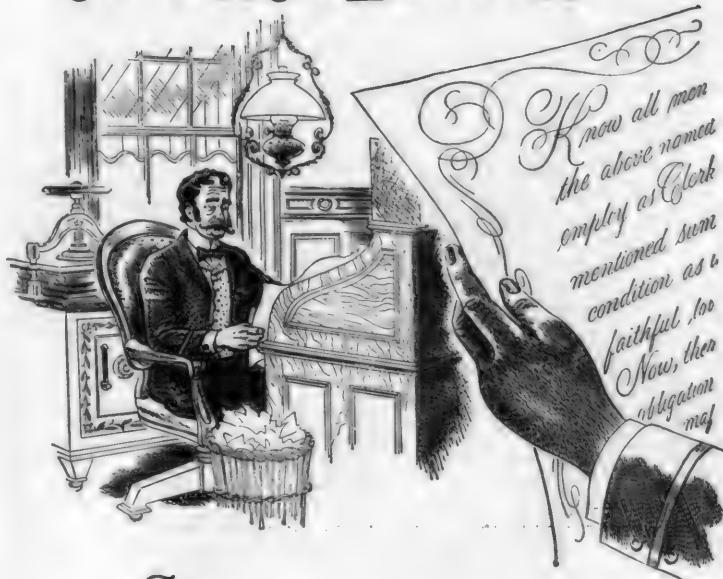
THE UP (we're impartial) carried this dispatch from Deadwood, South Dakota:

"Federal Bureau of Investigation agents worked today to track down the origin of a large sum of old-style currency found buried in a wall by workmen tearing down the Burlington Railroad station. Officials declined to reveal the amount found in the building. They said, however, that the money, found in a wall near a second-floor chimney, may be part of a \$14,000 shipment which disappeared in 1934 while it was being transferred from the Deadwood First

"It's a pneumatic tube which permits 35-mile an hour depositing!"



SYMBOL OF PROTECTION



Seventy-five years ago corporate surety bonds had not yet appeared on the scene. Each officer or employee furnished his own bond — had a relative or friend pledge cash or real estate to protect the bank against his possible dishonesty. Like other methods of those days, this left much room for improvement.

Today's corporate surety bond (Bankers Blanket form), on which the ABA Insurance Committee has collaborated, has been broadened through the years to keep pace with the needs of modern banking.

When dishonesty strikes, today's surety is no longer an individual — it is a corporation with reserves set up to meet the situation.

Through our agents and brokers, we look forward to continuing to serve bankers, and offer our hearty congratulations on this, the Diamond Jubilee Anniversary of the ABA.

AMERICAN SURETY GROUP

AMERICAN SURETY COMPANY
NEW YORK CASUALTY COMPANY
SURETY FIRE INSURANCE COMPANY

100 Broadway, New York 5, N. Y.

FIDELITY • SURETY • CASUALTY • INLAND MARINE • ACCOUNTANTS LIABILITY





make this foreign department — *Your department!*

Direct representation in a dozen centers of world trade, plus the wide experience and complete facilities of a great financial institution . . . that's what Bank of America's International Department offers you and your customers.

Foreign exchange, remittances, collections, letters of credit, Travelers Cheques . . . every banking service related to foreign trade and travel is yours to command.

So make this Foreign Department *yours* . . . for information, write Bank of America, International Department, 300 Montgomery Street, San Francisco, or 660 South Spring Street, Los Angeles.



Bank of America
(International Service)
40 Wall Street
New York, N. Y.
(A WHOLLY OWNED SUBSIDIARY)

Bank of America
NATIONAL TRUST AND SAVINGS ASSOCIATION

Complete banking facilities in California.
Branches in London, Manila, Yokohama,
Tokyo, Kobe, Shanghai, and Bangkok.
Representatives in Paris, Zurich, Milan.
Correspondents throughout the world.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION • MEMBER FEDERAL RESERVE SYSTEM

Sell and carry Bank of America Travelers
Cheques. They're completely safe,
and they're honored the world over.



National Bank to a Federal Reserve bank."

Mr. Washington Looks Forward

SPEAKING of birthdays, this is the the sesquicentennial of the nation's capital, a fact duly noted in an unusual booklet published by The Riggs National Bank of that city.

The publication, presenting a second series of the bank's advertisements based on people and events during its own 114 years, contains a history of Washington written around several famous checks from the Riggs' extensive collection.

The frontispiece is a reproduction of the original L'Enfant plan of the city. Opposite is a George Washington letter, owned by the bank, to Arthur Young, an English specialist on agriculture. Here is the text:

Philadelphia Mar. 20th 1793

Sir:

Having had occasion in some late communications to you, to speak of the District which has been decided on (under a law of Congress) for the permanent seat of the Government of the United States, I do myself the pleasure of sending you a plan of the intended City, which is now laying out in the center thereof.

It will serve to shew you, and such as may have the curiosity to look at it, that whatever our present condition is, we have vanity enough to look forward to a better.

With great esteem & regard

I am—Sir
Your Obedient Serv't
G. Washington

Arthur Young, Esq.

Among the checks pictured is Abraham Lincoln's for \$3, payable to "Mr. Johns (a sick man)." It was drawn on Riggs & Co., August 28, 1861.

The booklet is the work of ROLAND T. CARR, vice-president and advertising officer of the bank, in collaboration with Senior Vice-president HULBERT T. BISSELLE. There is a brief foreword by ROBERT V. FLEMING, chairman and president.

"Banking in Old New York"

As a friendly gesture to the American Bankers Association convention and the annual meeting of the Association of Bank Women, which immediately precedes the A.B.A. September gathering, the New-York Historical Society will have on display a small exhibition, "Banking in Old New York." It will feature pic-

(CONTINUED ON PAGE 14)



WE imprint these Travellers Cheques with *your bank name*—an extra service of The First that costs you nothing extra!

YOU increase the earnings of your bank when you sell these Travellers Cheques!

YOUR CUSTOMERS can spend these Travellers Cheques anywhere in the world—just like cash!

• • •

Suggest Travellers Cheques of The First National Bank of Chicago to your customers for both vacation and business use. You pro-

tect your customer against loss of funds—you build the prestige of your bank! Write our FOREIGN BANKING DEPARTMENT for details.

The First National Bank of Chicago

Dearborn, Monroe and Clark Streets
Building With Chicago Since 1863

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



PHOTOS COURTESY NEW-YORK HISTORICAL SOCIETY

JUST A MINUTE—Continued

tures of early banks and leading bankers, manuscripts and other material of related interest.

The Society invites members of both associations to visit its museum, which contains much American historical material. The address is Central Park West at 77th Street.

While this issue was being prepared, BANKING visited the Society's library.

Poking through the files for photographs that would provide a sample of an older New York, we unearthed the two on this page and one on the next.

(CONTINUED ON PAGE 16)

★ ★ ★

At the left is Wall Street, looking west from Pearl Street toward Trinity Church. The year is "about 1878," or just after the A.B.A. started business

Below is the opening of the New York Stock Exchange's present home in 1903. The Exchange's first address is pictured on page 16



"...Yes, Art, we buy and sell our Government bonds through Bankers Trust in New York. Because they're a primary dealer all prices are net. And their over-all advice on our account has been very helpful..."



When you buy Governments from Bankers Trust—you deal direct

As a primary dealer in U. S. Government bonds, notes, certificates, and discount bills, we maintain *an inventory* of these securities in our Trading Department.

This means that your orders placed with us are executed without delay—no red tape or outside telephone calls. Immediate confirmation of orders can mean an important saving for your bank.

Moreover, this service is rendered to our customers at the lowest possible cost—all prices are *net*.

We are glad to work with you on your bond account, advise you on the arrangement of maturities, and suggest switches from one issue to another as market movements provide favorable opportunities.

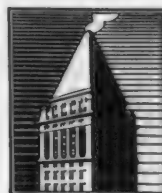
In addition, our Bond Department is a leading dealer in State and Municipal issues. We are prepared to answer your questions regarding

this segment of your portfolio.

For full information on how this service can benefit your bank, write Bond Department, Bankers Trust Company, 16 Wall Street, New York 15, N. Y. Telephone REctor 2-8900 when we can be of assistance. Our teletype numbers are NY 1-3333 for Governments and NY 1-850 for State and Municipals.

BOND DEPARTMENT
BANKERS TRUST COMPANY
NEW YORK

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION





In this mural, Bank of the Manhattan Company has preserved the scene under the famous Wall Street buttonwood tree, which was the first New York Stock Exchange. The artist portrayed five members: Leonard Bleecker, seated at the table's center; Andrew Barclay, standing, with his back against the tree; Charles McEvers at the left, leaning over the table; Augustine H. Lawrence, seated at the left; and David Reedy, with the cocked hat, at the right

A Tree, a Loan, and a Depot

THE three pictures on this page are reminders of the city's past.

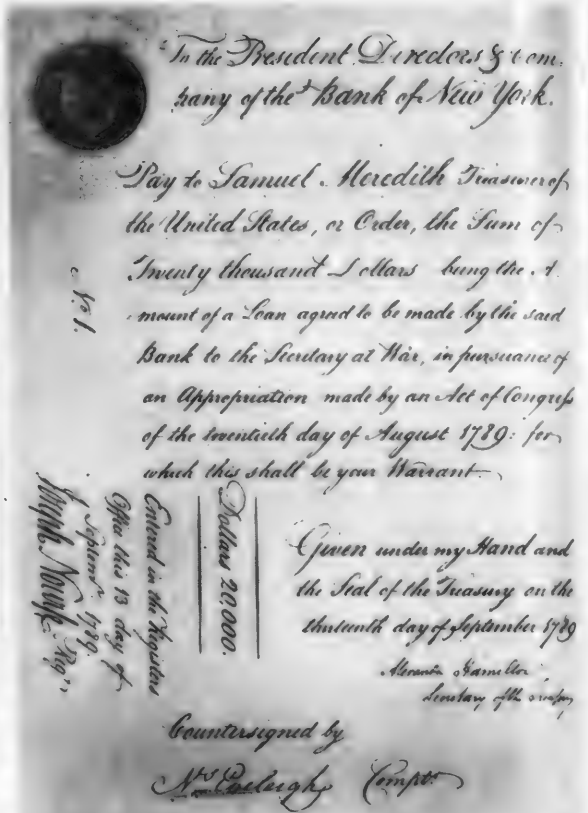
Both Bank of New York (Number 1) and Bank of the Manhattan Company (scarcely less venerable) have preserved numerous mementoes of the old days. The Manhattan's murals, in its main office on Wall Street, portray numerous historical scenes.

Few convention arrivals in this A.D. 1950 will recall the old "Grand Central Depot" shown in the photograph. The time is quite a bit later than 1875—call it 1886 and you'll be about right.

We could fill the magazine with pictures and stories of the convention city as it used to be. Much more important, of course, is the New York of today . . . a New York that's thinking in terms of the atomic era and The Bomb.

In postscript may we add that for some interesting, amusing, amazing, and highly miscellaneous little known facts about the best known city, you are advised to consult page 198 in the Convention Section.

J. L. C.



Above, U. S. Treasury Warrant No. 1, representing part of the first loan ever obtained by the United States Treasury. The Bank of New York took the entire total \$200,000. The date, 1789, was five years after the bank was established.

Yes, the masonry below is none other than the metropolitan home of the New York Central, the New York & Harlem, and the "N. York & New-Haven R.R." It's the forerunner of Grand Central Terminal



NEW-YORK HISTORICAL SOCIETY

BANKING

Air mail your West Coast items to
AMERICAN TRUST COMPANY
San Francisco

Many correspondents save time by routing all western items to this address . . .

At this strategic location, our Day-and-Night Transit operation provides swift service. Our many offices and west-wide relationships offer unusual facilities for collection. Our air mail dispatch often makes funds available 2 or 3 days earlier.

Write for details.



Member Federal Deposit Insurance Corporation • Member Federal Reserve System

Statement of Condition - June 30, 1950

RESOURCES		LIABILITIES	
Cash on Hand and in Banks	\$ 184,155,746.83	Deposits	\$ 971,989,590.52
U. S. Government Obligations	363,855,808.40	Letters of Credit and Acceptances	7,496,408.71
State, County, and Municipal Bonds	54,073,014.62	Reserve for Interest, Taxes, etc.	5,538,099.42
Other Bonds and Securities	8,961,977.17	Other Liabilities	6,172,369.76
Stock in Federal Reserve Bank	1,172,300.00	Capital Stock	
Loans and Discounts	403,597,384.29	Preferred	\$ 6,161,700.00
Bank Premises and Equipment	8,681,221.24	Common	12,300,620.00
Other Real Estate	1.00	Surplus	20,613,926.53
Customers' Liability under Letters of Credit and Acceptances	7,450,601.53	Undivided Profits	7,351,991.33
Accrued Interest Receivable and Other Assets	5,676,651.19		
Total Resources	\$1,037,624,706.27	Total Liabilities	\$1,037,624,706.27

United States Government and other securities carried at \$134,572,225.79 are pledged to secure U. S. Government Deposits, other public funds, trust deposits, and for other purposes as required or permitted by law.



Heard Along Main Street

Bank Honored for Community Service

THE SPRINGFIELD (Massachusetts) NATIONAL BANK received a testimonial of "good will and esteem" from Mayor Daniel B. Brunton in recognition of the bank's sponsorship of a public safety campaign in the city and several neighboring communities.

The honor, in the form of a proclamation to the citizens, praised the Springfield National for its distribution, to nearly 60,000 families of a police department booklet, "Guardians of Your Property and Welfare," and of more than 80,000 stickers bearing the telephone numbers of the local police and fire departments. In his proclamation the mayor expressed "deep gratitude and sincere appreciation on behalf of the citizens of Greater Springfield for this extraordinary contribution of community service."

As reported in *BANKING* at the time, the bank last year bore the expense of the booklet which emphasized the citizen's part in crime prevention. The telephone stickers are being made available this year.

The testimonial was accepted by HENRY A. FIELD, chairman of the bank's board, and WALLACE V. CAMP, head of the executive committee. Mr. FIELD said it was "the highest public honor for a community service" ever awarded in Springfield.

J. L. Dart Resigns

J. LEROY DART has resigned as president of the Florida National Bank, Jacksonville, because of ill health. His successor is HERMAN C. EBERTS, formerly vice-president.

Mr. DART, national president of the American Institute of Banking in 1940, joined the staff of the Florida National as a messenger in 1911. He



LeRoy Dart



F. W. Greene

had worked in every department when elected president in 1944.

Mr. EBERTS, on the faculty of Jacksonville Chapter, A.I.B., where he has taught corporation finance and financial statement analysis, is a former vice-president of the Florida Bank and Trust Company, West Palm Beach. In 1944 he went to Jacksonville as manager of the credit division of the Florida National Group and in 1945 was made an officer of the Florida National at Jacksonville. Two years ago he became vice-president.

In resigning, Mr. DART expressed a willingness to serve the bank in some "less strenuous capacity." His future work has not been determined.

F. W. Greene Joins Staff of Union National

FRED W. GREENE, executive secretary of the North Carolina Bank-

ers Association, has been elected a vice-president of the Union National Bank, Charlotte, in charge of public relations. Mr. GREENE, an alumnus of The Graduate School of Banking, is a former president of the A.B.A. State Association Section and a member of its Executive Committee. He is also on the Association's Public Relations Council.

He spent 20 years in public school administrative work before entering banking. His activities have included service as registrar and secretary of the Carolinas Bankers Conference at the University of North Carolina.

Mr. GREENE is permanent secretary of the G.S.B. Class of 1947.

Bank Birthdays

THE WASHINGTON TRUST COMPANY of Westerly, Rhode Island, celebrated on August 22 the 150th anniversary of its founding as the Washington Bank in 1800. In recognition of the anniversary the bank published an attractive little book, *Westerly's Oldest Witness*, which tells how the community and the trust company have progressed together for a century and a half. President ARTHUR L. PERRY tells *BANKING* that members of one family have

(CONTINUED ON PAGE 20)

Springfield National gets city's thanks. L. to r., Police Chief R. P. Gallagher; Wallace V. Camp, chairman of bank's executive committee; Mayor D. B. Brunton; Board Chairman Henry A. Field; Acting Fire Chief R. J. Petingre



Continental Illinois
buys bonds by billions
sells bonds by billions
as a dealer in United States
Government and Municipal Securities

*The Bond Traders' Desk
 at the Continental Illinois
 is a busy "market place"
 the year 'round.*



Volume trading in securities benefits banks and corporations

AMONG our many important specialized services to banks and corporations are—

Buying and selling United States Government and municipal securities;

Analysis of investment portfolios by our experienced and competent staff.

Every year our traders buy and sell billions of dollars' worth of such securities—making

us a nationally recognized "market place."

It is a matter of considerable pride with us that our substantial trading position in these securities, our wire and telephone facilities, and the experience of our specialists in this field, all combine for the benefit of our customers.

You are invited to write for details of this individualized service, which may mean a saving of time and money for you.

**Continental Illinois National Bank
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In The Detroit Area...

Manufacturers National Bank, with offices in Detroit, Highland Park and Dearborn, is ideally situated to work with correspondent banks and corporations transacting business in this great industrial area.

With Canada just across the river, this bank is also in a position to handle Canadian items promptly and effectively.

MANUFACTURERS NATIONAL BANK

DETROIT

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COLOMBIA

Presents Extensive Opportunities

Colombia, among the leading countries of South America in trade with the United States, will offer increasing opportunities in the years ahead for travel, export and import trade, and development of new or expansion of existing local industries.

Increasing numbers of forward-looking banks and business organizations in the United States are establishing correspondent relations in Latin America, notably with Colombia. Many of them are taking advantage of the exceptional and complete banking facilities provided by this 37-year-old institution.

With 23 offices in all commercially important parts of the country, trade information is quickly gathered and forwarded to you. Special departments for handling collections and letters of credit.

Inquiries cordially invited.

BANCO COMERCIAL ANTIOQUEÑO

Established 1912

Cable address for all offices—Bancoquia

Capital paid-up: \$10,000,000. — Pesos Colombian

Reserves: \$10,300,000. — Pesos Colombian

General Manager: Antonio Derka

Head Office: MEDELLIN, COLOMBIA, SOUTH AMERICA

BRANCHES: Armenia, Barrancabermeja, Barranquilla, BOGOTA, Bucaramanga, Cali, Cartagena, Cartago, Cucuta, Girardot, Magangué, Manizales, Montería, Neiva, Pasto, Pereira, Puerto Berrio, San Gil, Santa Marta, Sincelejo, Socorro, Velez.

New York Representative—Henry Ludeke, 40 Exchange Place, New York 5, N. Y.

(CONTINUED FROM PAGE 18)

been the active heads of the bank for four generations, dating back to 1805, "with the fifth generation a junior officer."

The PEOPLES SAVINGS BANK of Evansville, Indiana, has completed a modernization and expansion program to commemorate its 80th anniversary. A brochure covering the bank's eight decades was published recently.

The PENDLETON (Indiana) BANKING COMPANY publishes an illustrated historical booklet, *The Pendleton Community*, "in quiet celebration" of the bank's 75th year of service.

C. E. BINGHAM & COMPANY STATE BANK of Sedro Woolley, Washington, recently observed its 60th anniversary.

FIRST NATIONAL BANK OF KINGS MOUNTAIN, North Carolina, dedicated "Fifty Years of Progress," a booklet celebrating its golden anniversary, to the people of Kings Mountain and Cleveland County.

THE CONNECTICUT RIVER BANKING COMPANY, Hartford, is celebrating its 125th anniversary. It was established to give financial backing to the Connecticut River Company, a project organized in 1824 to improve navigation on the main artery of commerce between New England coastal settlements and Western Massachusetts, New Hampshire and Vermont.

(CONTINUED ON PAGE 22)

A wooden box, first vault of the Connecticut Banking Company, is examined by President L. Marsden Hubbard, right, and Cashier Leon M. Barnes





Where will your bank be in 1959?

"Today is tomorrow's yesterday"—the things you do today will affect the position and operation of your bank for years to come.

Choosing a correspondent, for instance.

If your bank is growing or is liable to face new problems in the next ten years, you'll want a correspondent with the experience, the facilities and the capital to handle anything that MIGHT come up.

That's why we would like to talk to you about the services of the Philadelphia National. Then we can get to know you and we'll be ready to best serve your interests—whenever they may arise.

Isn't that YOUR idea of good banking?

THE PHILADELPHIA NATIONAL BANK

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STEVENS
& CLARK
FUND, Inc.**

**SCUDDER
STEVENS
& CLARK
COMMON
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BOSTON 9, MASSACHUSETTS

HAMLIN BANK
and
TRUST COMPANY

SMETHPORT, PENNSYLVANIA

Established by Henry Hamlin 1863

**"THE PIONEER BANK
OF McKEAN COUNTY"**

Capital	\$200,000.00
Surplus	400,000.00
Und. Profits & Reserves	193,498.69
Resources Over	5,000,000.00

*Member Federal Deposit
Insurance Corporation*

News About Banks

Construction of a new Las Vegas branch of the **FIRST NATIONAL BANK OF NEVADA** is under way.

FIRST NATIONAL BANK OF ATLANTA plans to enlarge its Decatur branch.

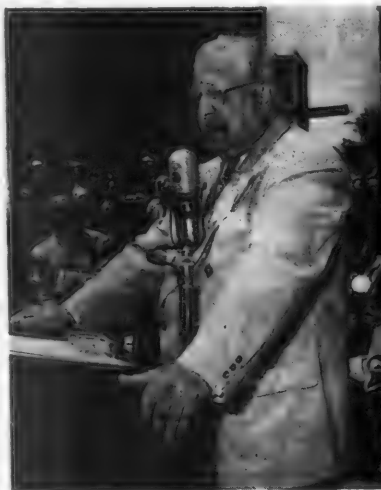
The **TRENTON (New Jersey) BANKING COMPANY** has opened a new office in Ewing township.

STATEN ISLAND NATIONAL BANK & TRUST COMPANY of Port Richmond, New York, now has a branch in New Dorp. A guest book and souvenirs were opening day features.

CHEMICAL BANK & TRUST COMPANY, New York, plans to open a new branch office at 100 Park Avenue.

Directors of the **THOMASTON (Connecticut) NATIONAL BANK** have voted to recommend sale of its assets to **THE COLONIAL TRUST COMPANY** of Waterbury.

FIRST NATIONAL BANK IN SAN RAFAEL, California, reports that 20



The **First National Bank and Trust Company** of Tulsa opened its new 20-story home with extensive ceremonies on July 29, the bank's 55th birthday. The program, lasting all day, included entertainment by nationally known stars, outdoor dancing, an orchestral concert, and a public tour of the five banking floors. One of the many banker guests was A.B.A. President F. Raymond Peterson, photographed while he was speaking to the crowd from the outdoor platform



The **Pittsfield (New Hampshire) National Bank** is celebrating its 100th anniversary. Herbert W. Dustin, right, has been president of the bank for 55 years. With him in the picture is Cashier Sumner Moody

percent of its commercial deposits are now being received through the two-window drive-in.

The **NATIONAL BANK OF FAR ROCKAWAY**, New York, entertained the Greater New York members of the Association of Bank Women for the 13th year at a recent outing at Atlantic Beach. Miss M. IRENE WEST, vice-president of the bank and an active member of the association, was hostess at a luncheon.

People You Know

W. W. MCEACHERN became president of the **First National Bank of Greenville**, South Carolina, on August 15, succeeding F. F. BEATTIE, who was made chairman of the board. Mr. MCEACHERN retired this year as executive vice-president of the **Bank of Virginia**, Richmond.

First National Bank in Dallas announces these elections: Assistant vice-president, HORACE E. MOSS; assistant cashier, EDWIN J. SMITH, SR., CLYDE W. FOUNTAIN, B. M. CHEATHAM, WILLIAM F. RITCHIE, SAM W. EASTER.

Guaranty Trust Company of New York has appointed HOWARD J. CARSWELL as manager of its publicity department, succeeding SAMUEL CULVINER, JR., retired. Mr. CARSWELL was formerly with the New York *World-Telegram* and after service in World War II was a public relations executive in Washington, D. C.

MICHAEL J. HURLEY has resigned as chief bank examiner with the Comptroller's Office and on September (CONTINUED ON PAGE 26)



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The new Todd Check Certifier that fulfills the recommendations of the ABA



Protects your bank from liability!

Every bank certifying checks needs this new Todd Certifier that meets *all* the recommendations of the American Bankers Association! This machine assures greater safety for banks ... provides certification that defies rubber stamp or machine duplication ... guarantees protection with *insurance*!

With this new Todd Certifier, certification is made with a 4-color impression that doesn't obliterate other writing on the check. Dual locks and a non-resettable numbering

meter maintain positive internal control *always*! Special features protect you from liability—they are *unique* to this machine!

Only bona fide bank purchasers can buy *this* Certifier. It is made by bonded employees ... protects your funds with its unique insurance feature.

Let us tell you more about this new Todd Certifier. Just mail the coupon for complete information. No cost or obligation, of course. **MAIL THIS COUPON NOW!**



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BM-9-50



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Our homesteading founders bumped across the prairies on handmade wooden spokes. Their descendants ride toward the same horizons on a steel wheel that is a weight-saving, load-bearing miracle of standardization. Millions of sketches, plans, castings, models, and mock-ups have contributed to its evolution. The eyes of a myriad inventors, engineers, and draftsmen have appraised it. The hands of countless wheelwrights, pattern makers, founders, tool and die makers, machinists, welders and craftsmen have shaped it into the smooth and solid underpinning of progress.

HOW? . . .

How has it been possible to build a great American industry, transportation, on and around the wheel? Because we build as we uniquely can. Every art, every science, every branch of engineering work together here. Every contribution from our teeming multitude of talents adds its drop to the roaring flood that carries America into the future.

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America works like that because it has an all-seeing, all-hearing Inter-Communications System

Complete communication is the function, is the peculiarly American contribution of the business press . . . a great company of specially edited magazines devoted to the specialized work areas of men who want to manage better, design better, manufacture better, research better, sell better . . .

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The McGraw-Hill business publications are a part of this American Inter-Com System.

As publishers, we know the consuming insistence of editors on analyzing, interpreting, reporting . . . on developing universal acceptance for new ideas . . . on making sure that specialized information reaches interested people quickly.

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As publishers, we make the advertising pages of our business publications available for your communications with the people you want to reach.

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H E A D Q U A R T E R S F O R B U S I N E S S I





Will an embezzler spend the money you lend?

The damage done by an embezzler doesn't always stop with his victimized employer. Sometimes the loss is severe enough to force the firm into bankruptcy...and creditors lose as well.

Prudent bankers, aware of this indirect threat to their own interests, insist that their commercial borrowers be adequately protected against loss resulting from employee dishonesty.

The F&D representative in your community will gladly assist you in checking the form and sufficiency of your borrowers' dishonesty insurance. This added precaution costs you nothing.



AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE

(CONTINUED FROM PAGE 22)

ber 1 joins the staff of the National Shawmut Bank, Boston, as a vice-president. Mr. HURLEY was commissioned a national bank examiner in 1920. He organized the FDIC examining staff in Massachusetts and Rhode Island and became the first FDIC supervising examiner for New England.

PHILIP K. BARKER has resigned as vice-president of Granite Trust Company, Quincy, Massachusetts, to become president of Bankers Development Corporation on September 30. He succeeds J. E. Casey, now chairman. Mr. BARKER, first vice-president of the Financial Public Relations Association, was with Bankers Development before joining Granite Trust 20 years ago.

MARINE TRUST COMPANY, Buffalo, announces the promotion of C. EDGAR SCHABACKER, JR., to assistant vice-president, and the election of ANTHONY G. SOLLY and LEWIS P. SCHORNSTEIN as assistant secretaries.

L. L. MURPHY, formerly executive vice-president of the Calumet National Bank of Hammond, Indiana, has been elected president. EDWARD MEYER is now executive vice-president as well as cashier and WALTER J. MEYER has been promoted from vice-president to vice-president and chairman of the board.

Newly appointed assistant cashiers at The First National Bank of Winnetka, Illinois, are JOHN E. TUCKER and R. ROBERT HORN.

JOHN K. BENSON has been appointed assistant to the president of the National Shawmut Bank, Boston. He was formerly assistant vice-president.

GUARANTY TRUST COMPANY of New York has announced the appointment of GERARD M. IVES as a vice-president, and HERBERT P. McCABE as second vice-president.

J. K. Benson

G. M. Ives



BANKING



George Dock



Allen Crawford

GEORGE DOCK, JR., who joined the Albert Frank-Guenther Law, Inc., advertising agency in New York last fall, is now a vice-president. Mr. Dock has had extensive experience in financial and industrial sales promotion and public relations work, as well as edvertising. He was director of public relations for the Federal Home Loan Bank Board in 1933-36 and is author of *Constructive Customer Relations for Banks*, published by the American Institute of Banking.

ALLEN CRAWFORD, formerly vice-president of the Bankers-Equitable Trust Company, Detroit, has joined The Detroit Bank as an assistant vice-president. He is a former president of the Financial Public Relations Association.

American National Bank and Trust Company of Danville, Virginia, announces the election of three new assistant cashiers: WESLEY M. MOTLEY, WILLIAM H. JEFFERSON, JR., and ROBERT W. WISEMAN.

American National Bank and Trust Company of Chicago has promoted HARRY P. LAWRENCE to assistant cashier and LUTHER C. DILATUSH to assistant trust officer.

Two officers of the Green Point Savings Bank of Brooklyn, New York, have retired with the unusual service record of 65 years each. President GEORGE W. FELTER and Secretary FRANK S. HARLOW, who got their jobs at about the same time in the middle 80's, were on the staff continuously.

F. S. Harlow



G. W. Felter



You, Too, Can Serve Your Customers Better...By Lending on St. Louis Terminal Field Warehouse Receipts



Most Marketable Products Are Good Security

You can't afford to pass up opportunities to be of real service to your customers—especially when they need sound financial advice.

Progressive bankers today are advising their customers to use St. Louis Terminal Field Warehousing Service when inventories are high in relation to liquid assets.

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Quarter of a Century of Warehousing Service

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CHICAGO 3, ILL.
First Nat'l Bank Bldg.,
KANSAS CITY 6, MO.
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MEMPHIS 3, TENN.
Sterick Bldg.

Strengthen Your Doubtful Risks With Lawrence Receipts

JUDGED by its prevailing risk criterion, a bank's portfolio contains many loans on open account which may well be placed on a secured basis.

Lawrence warehouse receipts, issued on the borrower's inventory, will protect the lender with fundamentally sound collateral.

New "Small Business" Department now extends Lawrence service to inventories valued as low as \$5,000.

Lawrence warehouse receipts are supported by the strongest financial statement in the field warehouse industry. Lawrence has always discharged, in full, its liability to all holders of Lawrence Warehouse receipts.

Lending institutions have profited with Lawrence field warehousing in dealing with more than 20,000 business firms, over a period of 35 years.

Booklet Gives Field Warehouse Facts



Tells how Lawrence field warehousing makes secured credit possible for accounts in your portfolio. Write for free copy, "Borrowing on Inventory."

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Nationwide Field Warehousing
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St. Louis • Atlanta • Des Moines • Charlotte
New Orleans • Houston • Dallas • Denver • Phoenix
Portland • Seattle • Spokane • Stockton • Fresno
Washington, D. C. • Manila, P. I.



R. L. Miller



P. S. Shoemaker

RAY L. MILLER has been elected vice-president of the Mercantile National Bank of Dallas. He was formerly regional director of expanded field service operations, U. S. Bureau of Foreign and Domestic Commerce.

PHILIP S. SHOEMAKER, formerly examiner for the Cleveland loan agency of the RFC, is now executive vice-president of the Allegheny Trust Company, Pittsburgh. Mr. SHOEMAKER, an alumnus of The Graduate School of Banking, has recently had his own business as counsel for manufacturers on contract renegotiation.

GARNETT A. CARTER, vice-president of the Fulton National Bank, Atlanta, attended the Graduate School of Credit and Financial Management at Dartmouth College in August. The three-year course is sponsored by the National Association of Credit Men.

Union Planters National Bank & Trust Company of Memphis has promoted JOHN VORDER BRUEGGE, E. G. BRADY, and N. G. DELAHUNT to assistant vice-presidents.

MARTIN A. HANSON has been made executive vice-president of The Idaho First National Bank, succeeding the late EARL T. JONES.

SAM E. PONDRUM, formerly resident manager of Harris, Upham & Company's Dallas office, has joined the staff of the First National Bank in Dallas as vice-president. He is in the business development division.

(CONTINUED ON PAGE 30)

M. A. Hanson



S. E. Pondrum



New York Hanseatic Corporation

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OF PHILADELPHIA

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**19 of America's
25 Largest Businesses
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**YOU CAN BANK ON
THE BANK
BUSINESS CHOOSES**



The National
Shawmut Bank

40 WATER STREET, BOSTON

Member Federal Deposit Insurance Corporation

Capital and Surplus \$30,000,000



Credit Insurance Completes Your Customers' Program of Protection

ACCOUNTS RECEIVABLE is one of your customers' most valuable, *most vulnerable* assets! No matter how complete credit information is or how solid and substantial credit risks appear to be, there's always the danger that unforeseen events—fraud, fire, floods, lawsuits, etc.—can cause your customers to sustain credit losses.

American Credit Insurance completes business insurance programs by *guaranteeing* payment of Accounts Receivable. Many banks are urging commercial accounts to protect their receivables with Credit Insurance. Some banks insist on this protection before approving com-

mercial loans. *The bank can be included as a named assured without charge.*

Book Helps Plan Credit Policy

Help your customers plan sound credit policy with this timely book. For a copy, without obligation, phone our office in your city or write AMERICAN CREDIT INDEMNITY COMPANY OF NEW YORK, Dept. 45, First National Bank Building, Baltimore 2, Md.



J. C. Spencer
PRESIDENT



GUARANTEES PAYMENT OF ACCOUNTS RECEIVABLE

OFFICES IN PRINCIPAL CITIES OF
THE UNITED STATES AND CANADA



W. H. Deatly



P. L. Ellenberger

(CONTINUED FROM PAGE 28)

WILLIAM H. DEATLY, formerly vice-president and general manager of Title Guarantee and Trust Company, New York, has been made president, succeeding BERNARD TOWNSEND, who has resigned. IRA GUILDEN is chairman of the board, a new post, and PHILIP A. ROTH is vice-chairman. HERMAN BERNIKER, as executive vice-president, and J. WEBSTER GOODHUE as vice-president are other changes to follow sale of the company's banking division to Bankers Trust Company.

PAUL L. ELLENBERGER, formerly vice-president and secretary of the Capital Bank and Trust Company, Harrisburg, Pennsylvania, is now president, succeeding WALTER E. BURNS, who resigned to become a representative of the Penn Mutual Life Insurance Company. ARTHUR H. HULL, general counsel, was elected chairman of the bank's board and Vice-president ERNEST KEYS was also made secretary.

MELVIN ROUFF became president of the Houston National Bank in a change that followed purchase of a controlling interest in the institution by IRVIN M. SHLENKER, Houston businessman, and several associates. Control was acquired from JOSEPH F. MEYER, JR., the former president, and his brothers. Mr. ROUFF was formerly vice-president.

J. C. SPENCER, formerly president of The First National Bank of Erie, Pennsylvania, is now chairman of the board. ROY C. MAUER was advanced from vice-president to president. CHARLES J. HEIMBERGER has been made executive vice-president and CHARLES H. WILSON, 3rd, vice-president.

ROBERT W. KNEEBONE, vice-president of The National Bank of Commerce, Houston, is president of the new Houston Tourist Association, and co-chairman of general solicitation for the 1950 Community Chest.



A place in the sun . . .

Success in any undertaking depends in large measure upon a knowledge of the facts.

Facts are stubborn things, and having the proper facilities for getting at them and delving into their various shades of meaning is of prime importance.

Gulf's leadership in the petroleum industry is largely maintained by the never-ending search for facts, and their interpretation which goes on continuously in the buildings shown above.

Located at Harmarville, Pennsylvania, on a high plateau overlooking the Allegheny River, Gulf's Research Laboratory has truly won an enviable "place in the sun" in the field of petroleum research. It represents the most highly integrated unit of its kind in the world.

The aerial view, above, does not begin to illustrate the real magnitude of the activities which take place in these buildings.

Research is carried on by Gulf in every phase of geophysics, geology, chemistry, physics, engineering and metallurgy as applied to the discovery, production and refining of petroleum.

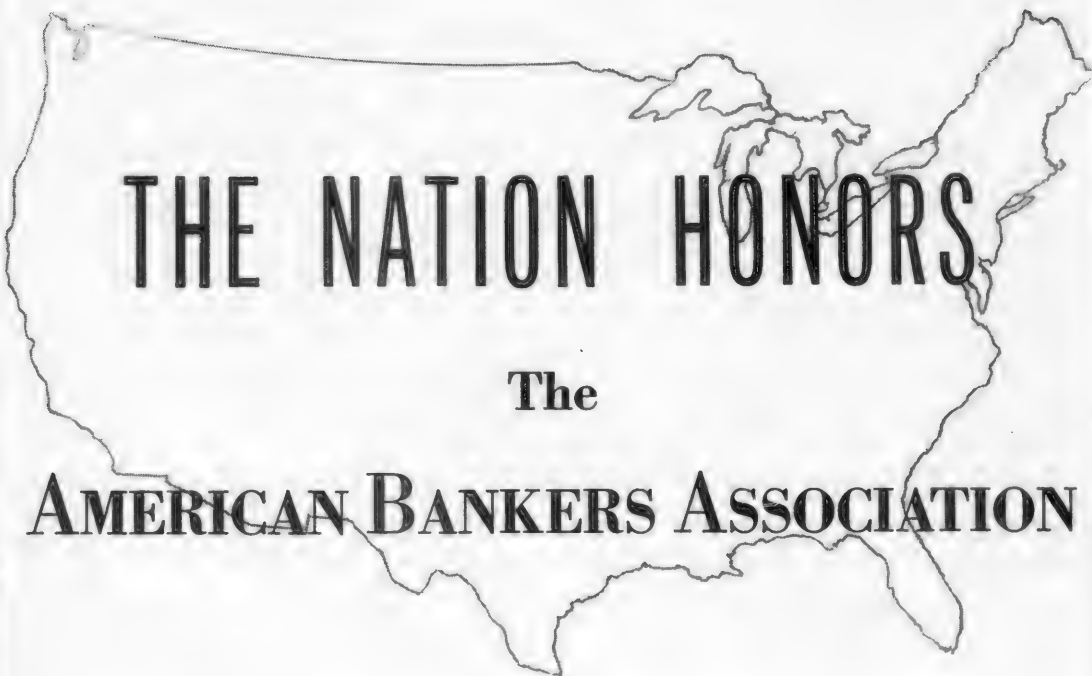
More than a thousand persons work at the Harmarville Laboratory, while more than five hundred others are employed in the field gathering geophysical data. Their work has had a beneficial effect on the comfort, health and convenience of every living American.

For through research, Gulf finds better ways to discover, produce and refine oil. It finds better ways to utilize by-products, to improve existing products, and to produce new ones.

This is one reason why Gulf is an outstanding company in one of America's most progressive industries.



**GULF OIL CORPORATION
GULF REFINING COMPANY**



THE NATION HONORS

The

AMERICAN BANKERS ASSOCIATION

This year is the 75th anniversary of the American Bankers Association. During the seventy-five years of its growth, the Association has been a major force in advancing enlightened cooperation between bankers on the one hand and American business and industry on the other. As this teamwork has grown closer and closer, it has profoundly affected the national economy and promoted better community living throughout our country.

Safety Paper Division
HAMMERMILL PAPER COMPANY
Erie, Pennsylvania



**HAMMERMILL
SAFETY**



A Time to Watch Our National Step

*The Outlook.** There have been many turning points in history. It would be hard, in fact, to catch history when it was not turning, tripping over itself or doing a hand spring. One thing, however, that heavily underscores our day and time is a special awareness on the part of almost everyone that history is approaching a hairpin turn. We of today are witnessing and participating in something especially important.

What do banking leaders think about this portentous current history? In order to get an answer we put the question to the presidents of the older banks and asked them to speak frankly, not of the past but of the present and the future. The results of our inquiry

are published here on the occasion of the Diamond Anniversary of the American Bankers Association.

Too often it seems that writers, orators, editors and the like do all the talking, so in this case the platform is being opened to an important cross section of public opinion. The platform was not big enough to accommodate even a small fraction of all bank presidents but the views recorded here are probably an accurate consensus of bank presidents on national and financial problems of the day.

* This "Voice of the Reader" feature replaces THE CONDITION OF BUSINESS for September and will be continued in October with comments received after press time.

Varied as these views are, they fall into a pattern which can be summarized briefly in this way: How to fight communism at home and abroad without losing our system of free economy in the process. There is little complacency in the pattern and a great deal of prayerful desire for better leadership nationally and better bank service for every community.

So the next voices you hear will be those of readers of *BANKING*, speaking from their desks in large and small banks and from all sections of the country. Many comments contained similar views and the reports have been edited to conserve space and avoid repetition.

THE EDITOR



WIDE WORLD
Above, polite version of Democracies' battle with Communism—at the UN. Far right, U.S.A.'s Austin; far left, Russia's scowling Malik. Below, the ultimate form of the struggle: GIs in Korea



WIDE WORLD
Communist indoctrination begins early, as does political training in all totalitarian states. Below, children parading in East Berlin with the ever-present picture of Lenin



WIDE WORLD

As a nation, our chief problem is disunity and misunderstanding. It is imperative that the people of this great nation work together politically, socially and economically for greater strength. With strength and unity, we can demonstrate by example to the rest of the world the soundness of our principles of life.

An educator and outstanding citizen once said, "There are no problems—just opportunities." Today's banker has an outstanding opportunity to improve public relations and acquaint people with the importance of banking to the well-being and future happiness of everyone in our nation.

* * *

For bankers no problem is more fundamental than that of meeting effectively, competently, and fully the legitimate credit needs of a war mobilization economy, while at the same time withholding credit which would put needless inflationary pressures on the economy.

For the nation, the major challenge of the day is the threat of collectivism—both abroad and at home. Abroad, we must meet the expansionist threats of communism. At home, we must be on guard against the socialist encroachments of our own Government.

* * *

If, as expected, a wartime economy produces inflation, bankers will be confronted with increasing deposits, higher operating costs and lower yield investments.

Even if we win in Korea and no similar crises develop immediately in other areas, Russian policy will continue to have a terrific impact upon our economy and way of life. The development of an American policy that is adequate to cope with this continuing threat will require a more intelligent and informed effort than has evidently thus far been exerted.

* * *

The ideological conflict between the western concept of political, civil, and economic freedom and the communist concept of police state socialism is the chief problem of the day.

Unless the people now wearing the yoke of police state socialism find a way to throw it off, I know of no answer other than the one we found in 1941-45 when the issue was joined on the battlefield with the



House Banking and Currency Committee considering the War Production Bill, above

BANKING

then principal exponent of police state socialism, Adolf Hitler.

I hope America does not have to have her teeth completely kicked in before she understands that, however much she may deplore the fact, jungle law has not yet been fully superseded by the laws of justice and humanity in the realm of international politics.

* * *

Our internal vulnerability and the strain that must essentially be placed on our economy are of the first importance.

It would seem that somewhere along the road of diplomacy since the close of the last war, we have lost the victory so costly won in the second world war, and are now faced with the threat of a third one, in which the initiative is left in the hands of the enemy. The Korean showdown exposed our almost total unpreparedness.

The first thing on the agenda of the Government should be to correct, at the earliest possible moment, our military and psychological unpreparedness for World War III. The perimeter of defense is so great that it is vulnerable at almost any point. We should make our home front as impregnable as our economy and military fitness will permit, and then if needs be, we should lend aid to the other democracies as occasion demands and our ability permits.

* * *

The Soviet leaders have assumed the international role formerly held separately by Hitler, Mussolini and Tojo. The one big job for the United

Nations is to cool the ardor of these Soviet leaders for territorial ag- "ideologies." gressions past, present and future.

(CONTINUED ON PAGE 125)

The War and Banks

THE president of one of the original 350 member banks of the Association, F. Raymond Peterson of the First National Bank and Trust Company of Paterson, New Jersey, who is also president of the American Bankers Association, discussed banking's current place in the war effort before a recent convention of the West Virginia Bankers Association. He said that the whole financial operation incident to the war should be carried out in a way that would preserve the soundness of the dollar.

Also he stated that the country would expect a prompt abandonment of any wartime restrictions and controls.

He listed the following wartime services which banks would be in a position to perform:

1. Providing credit and other financial services for the Government as it expands, maintains, and supplies the armed forces, and helping the United States Treasury distribute its securities among investors.
2. Providing credit for technical and industrial producers of war material.
3. Financing farmers in the production of food and other agricultural commodities needed for both military and civilian uses.
4. Assisting the Government in locating and freezing enemy funds in this country that are intended for espionage, sabotage, and other subversive activities.
5. Restricting unnecessary civilian, non-military uses of commercial credit.
6. Cooperating with Federal authorities in the regulation of consumer credit.
7. Providing financial assistance in the construction of defense housing, and administering the granting of real estate mortgage credit prudently and in accordance with Federal regulations.
8. Providing branch banking facilities for Army, Navy, and Air Force bases and encampments, and check-cashing services for families of men in the armed forces receiving dependency allotments.
9. Providing coupon accounting and clearing services for the Government as an essential part of the rationing system it may establish.
10. Maintaining War Loan accounts for the United States Treasury and serving as its tax depositories.
11. Providing trust services for men and women who are called to serve in the armed forces.

Auld Lang Syne

FOR a reminder of how things were in 1875, the year the American Bankers Association began, BANKING sought the services of those enterprising and always interesting reporters, *Frank Leslie's Illustrated Weekly* and *Harper's Weekly*.

These two leading forerunners of *Life*, we found, had indeed covered the waterfront of their day. The illustrations we borrowed, taken from 1875 issues of both magazines, reflect a rather broad cross section of American life at the time the bankers met at Saratoga Springs, New York, to lay the foundation of the A.B.A.

In the pre-candid camera days periodicals specializing in newsy features depended upon artists and engravers for their pictures. Much of the work had high quality.

Leslie's considered this picture of "mammoth iron shears constructed by the Atlas Iron Works at Pittsburgh" so newsworthy that it filled half a page. The machine was said to be "probably the largest of its kind in the world." Weighing 50 tons, it was driven by two 42-inch pulleys and had a leverage of 74 to 1. The lever worked on a 9-inch cast steel shaft



In this cartoon, entitled "Packing Up," President Grant says: "In retreating, it is the duty of a good general to secure his baggage and ammunition"

In 1875 we were 100 years old as a nation, with 37 States for the first time really united. Our population was 40-million. There are many indications in the yellowing records of the time that we thought we had reached a plateau of civilization and were cutting quite a figure.

Well, we had indeed arrived somewhere, but it was not our destination. Rather it was but the threshold of the future. We were just entering that era of bold enterprise and of progress toward better living which was to put us on the spot of world economic leadership before we were politically ready for the assignment.

"Nebraska.—Grasshoppers stopping a western-bound train on the Union Pacific Railroad, near Plattsmouth"





This engraving of the famous Hathorn Spring at Saratoga appeared in *Leslie's* a couple of weeks after the bankers' meeting. Guests from the various hotels are "taking the waters"



Artist's idea of Trinity Church, New York "in the immediate future, if they go on putting up stores in the style they are now building," Caption postscript: "How about fires and high winds?"

Also at Saratoga that summer the colleges were having their annual regatta. The caption on this picture reads: "On the shore of Saratoga Lake, photographing the crews"



The door that opened before America in 1875 gave access to untold and unbelievable riches—riches for all the world, made possible by American inventiveness. Although important labor-saving farm machines had been devised during the first half of the century, by 1875 there had been a continuous process of improvement in design, production methods, materials and utility; and new machines were constantly being developed for special purposes.

A Yale College student's room in 1875

On the basis of 1950 standards, the United States was still "undeveloped" in 1875.

However, it was making progress. By January of that year the Patent Office had issued its 168,000th patent. In the next few years the Office would hear from Thomas A. Edison, Alexander Graham Bell, George Eastman, and numerous other gentlemen whose inventions changed the patterns of life.

In 1875 typewriters had been on the market about a year, and sales were slow. Many questioned the wisdom of investing \$125 in a machine to do work a penny pen could handle.



There were protests, as usual, against "innovations." When the New York YWCA announced courses in typewriting, loud complaints were heard on the grounds that the female constitution would break down under the strain of typing.

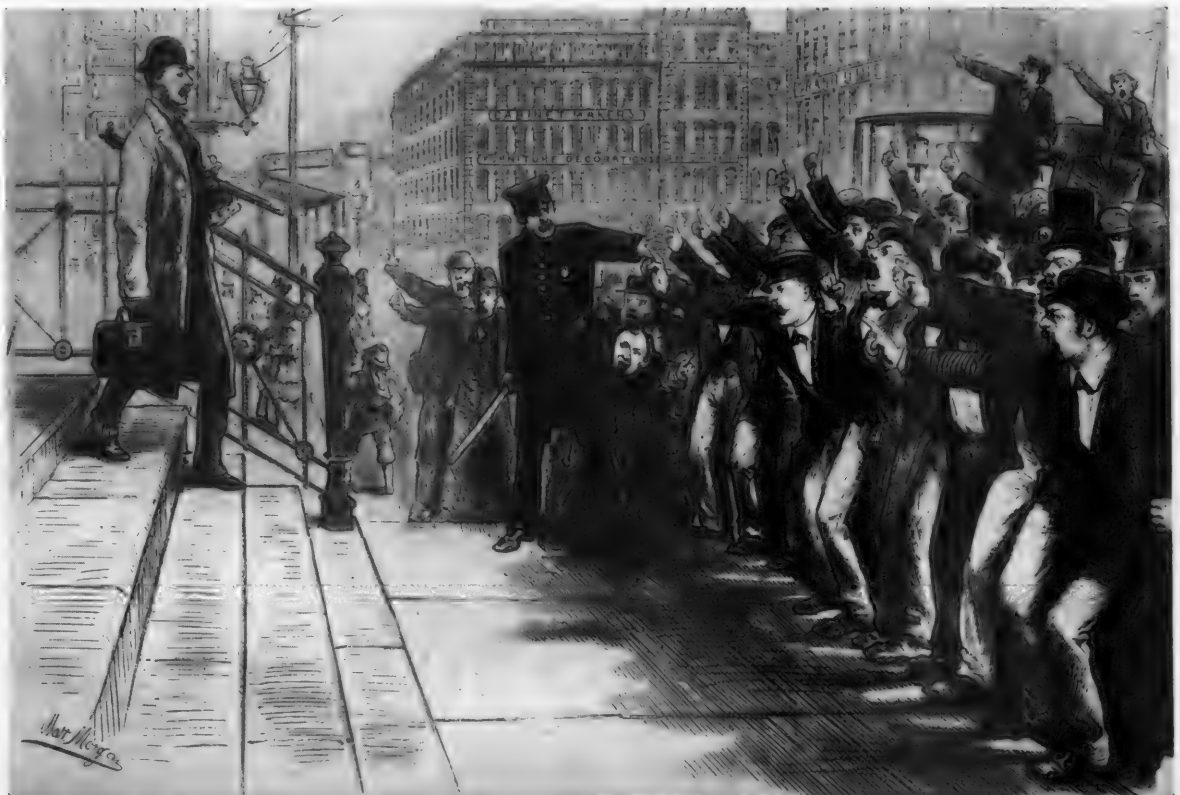
The newspaper which, a few years later, reported Edison's demonstrations of the electric light also carried a statement by Professor Henry Morton of Stevens Institute of Technology, protesting against ballyhooing the Edison invention as a wonderful success "when everyone acquainted with the subject will recognize it as a conspicuous failure." Other scientists agreed with Morton and the managing editor of the New York *Herald* rebuked the city editor for publishing a feature on the incandescent light, on the grounds that such a lamp was against the laws of nature.

But on the London Stock exchange there was a panic in gas shares when the news arrived from Menlo Park.



"Indians Trading in a Frontier Town." A little story went with this *Harper's Weekly* picture: "The Indians depicted in our illustration, which is engraved from a sketch of an actual scene witnessed by our artists, appear to have just arrived in town. Some of them stop to admire the ideal Indian figure before the tobacconist's shop—very unlike the real creature. . . . Scenes similar . . . may be witnessed in every frontier town where barbarism and civilization come in contact."

We'd like to tell you that this is a New York banker just back from the 1875 convention. But the gentleman is unidentified in the old print. However, we do know that he's issuing from Grand Central Station, New York, and that the porters and cabmen want his business



The Outlook for Bank Earnings

JAMES W. WOOSTER, JR.

The author is an investment consultant who has written frequently for BANKING. He is a faculty member of The Graduate School of Banking.

THE average age of the 15 largest commercial banks in the United States is 82 years. Six of these 15 are located west of the Allegheny mountains, in a territory in which in 1868—82 years ago—a musket must have seemed far more essential than a bank. Mutual savings banks, which developed primarily along the eastern seaboard, have their roots even deeper in their communities, in point of time. One hundred and twenty-fifth anniversaries of founding have been celebrated by more than a few savings banks, and 100 or more consecutive years of service in the savings field is frequent. These and similar figures suggest not only that banking is here to stay, but that many individual banking institutions possess a high degree of continuity, stability and permanence.

Survival Is Tribute

Survival for a period of 75 to 100 years in a competitive, dynamic society has called for many and diverse qualities. First of all, these banks must have provided basic services. This they have done through the extension of credit to assist in the country's growth, through providing a safe place for savings, through facilitating the making of payments and the transfer of funds by means of checks, and by numerous other related and subsidiary activities. In order to survive it has also been necessary for banks to be conservative. In the course of the last century there have been major wars, crop failures, unbridled speculation, calamitous panics. The fact that the banking system as a whole, and so many individual units within it, have been able to survive these vicissitudes is a tribute to the character and ability of the men of the banking profession.

MR. WOOSTER says that in any appraisal of the outlook for bank earnings, the following observations may be made on the experience of the past:

(1) Loans, in the postwar period, have been reestablished as the primary earning assets of banks.

(2) Loans are less homogeneous than formerly. Consumer loans today total half again as much as all commercial loans in 1939.

(3) Banks must offer a well-rounded package of credit accommodation. Establishment of reserves against losses out of loan income appears to be a must.

(4) Banks should continue to broaden their income base.

(5) There is a large and expanding field for financial services. Many are properly within the scope of bank operations.

Principles Are Unchanged

Sound banking principles remain unchanged with the passing of years, but the application of these principles to evolving conditions calls for adaptability and flexibility. A changing, growing society develops new and different banking needs, and existing institutions must serve these new and different needs or be supplanted by other institutions which are aware of these changes.

Changing With Times

The successful banker of the 1870's would find but little in common with the successful banker of 1950 as to methods, procedures and public relations. Through the use of checks for the payment of bills, through the development and growth of personal and consumer credit loans, and through safe deposit and trust department facilities, the neighborhood bank of 1950 has greatly increased the scope of its usefulness to the citizens which it serves. The local bank of a few generations ago was primarily the community's safe deposit box. Today it can be, and increasingly is, a financial partner with the individuals in its community, and an essential factor in their day-to-day lives.

This new and larger place of

banking in modern living has been reflected in changes which have taken place in the number of banks, in their size, in the composition of their assets and in the sources of their earnings over a period of years. In the year of the founding of the American Bankers Association, 1875, the banking system was represented chiefly by 2,076 national banks. These banks had total deposits of \$897-million. Loans were about two-thirds of earning assets and investments about one-third. Evidence of Civil War financing was present in the banking system's asset item of \$411-million of U. S. Government obligations, representing over 90 percent of total investments.

Great Growth Shown

In the next quarter century the number of national banks nearly doubled, and their deposits and assets showed even greater proportional growth. From the figure of just under \$900-million, deposits quadrupled to stand at \$3,622-million in 1900. A large portion of this deposit growth was placed in loans, which at the turn of the century were three and one-half times as great as investments. U. S. Government obligations in 1900 were within 2 percent of the amount held 25 years before, while other securi-

ties increased from \$32-million in 1875 to \$357-million in 1900.

The next 25 years witnessed an even more rapid expansion in the banking business. On June 30, 1925, there were 28,479 banks in the United States. Their deposits totaled \$51,641-million. Loans of \$33,729-million greatly exceeded investments of \$14,980-million. U. S. Government obligations of \$5,760-million were only a little more than half as large as other securities, which amounted to \$9,220-million.

The last quarter century, with its unprecedented depression of the 1930's, and with World War II and its accompanying inflation, are too recent memories to require elaboration. It is, however, interesting, in comparing our present banking position with that of 25 years ago, to note that in this intervening period the number of banks has decreased by 50 percent, loans have increased by 50 percent, deposits have increased more than three-fold and investments have increased six-fold. U. S. Government obligations, from a subordinate position in 1925 when they were about 11 percent of loans and investments, have now come to occupy a dominant position of more than 50 percent.

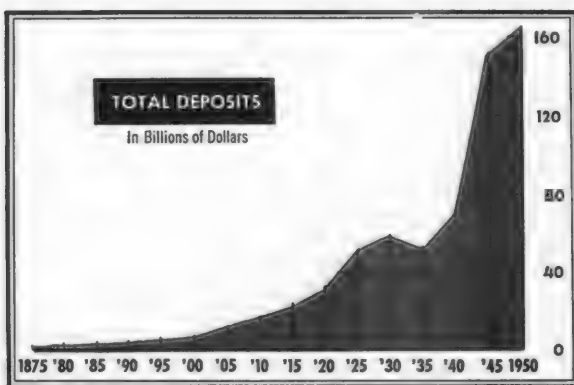
These changes in the number and the size of banks, in the amount and composition of their assets and the broadening of the financial services which they offer, have been mirrored in changes in the amount and sources of bank earnings. In 1875 the 2,076 national banks had net profits equal to 8.4 percent of their total capital accounts, but a breakdown of the relative contribution of the various activities of these banks to net profits is not available. A possible clue is the level of money rates prevailing at that period—from 6½ percent to 7 percent for prime commercial paper. In 1900 the rate of earnings on capital accounts at 8.6 percent was about the same as a quarter century before. By 1925 much more detailed figures were available for banks possessing the majority of banking deposits and assets (Federal Reserve member banks) and continuing figures for this group up to the present time have since been regularly computed. Net profits on capital accounts for Federal Reserve members in 1925 were at the rate of 8.9 percent, and for 1949 were 7.6 percent. This stability of rate of return on invested funds seems quite remarkable in the light of the changes in operating

methods and conditions which the banking system has undergone in the last 75 years.

If one goes back no further than 1938, the year before the outbreak of World War II, the shifts in earning assets and in the sources of earnings between that time and the present are substantial and basic. A study of these figures for the past dozen years suggests the directions from which a larger proportion of future bank earnings may be derived.

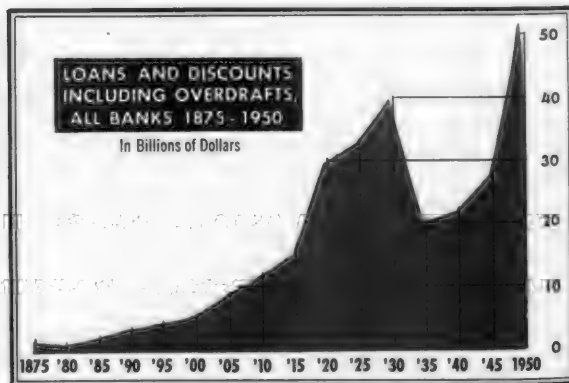
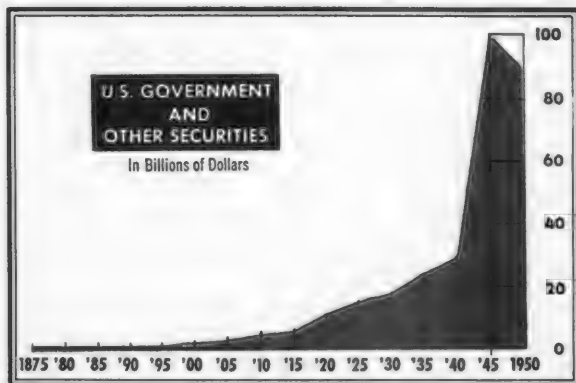
On December 31, 1938, total loans of all insured commercial banks were \$16,024-million. Commercial loans, including open market paper, were \$5,154-million, or about one-third of all loans; real estate loans were \$3,859-million; loans for purchasing or carrying securities were \$1,853-million; agricultural loans were \$1,065-million, and other loans were \$3,514-million. This "other" category included consumer loans, personal loans and loans made for purposes other than the major categories listed above.

Following the cessation of active hostilities, on December 31, 1945, total loans of all insured commercial banks of \$25,765-million were about 50 percent greater than just before the war. Commercial loans of \$9,461-million showed an expansion of about 80 percent; real estate loans of \$4,677-million, reflecting curtailed home and apartment construction during the war, were only about 20 percent above their prewar level. Coinciding with large scale Government financing, the December 31, 1945, figure of loans for purchasing or carrying securities was \$6,770-million, or over three and one-half times the 1938 year end total. Agricultural



The charts on this page are based on *Historical Statistics of the United States* and the *Federal Reserve Bulletin*.

The chart on the opposite page is based on *Banking & Monetary Statistics* and the *Federal Reserve Bulletin*.



loans of \$1,314-million were but 25 percent above their prewar level, while "other" loans of \$3,542-million, including consumer loans of \$2,361-million on December 31, 1945, were practically unchanged from seven years previous.

The pattern of loan trends since the end of 1945 has been quite different from that of the preceding war years. From December 31, 1945, to December 31, 1949, total loans of all insured commercial banks expanded at more than twice the rate they had in the previous seven years. Commercial loans increased about 80 percent while real estate loans increased by 120 percent. Loans for purchasing or carrying securities declined by about two-thirds. Agricultural loans more than doubled and consumer loans rose from \$2,361-million to \$8,005-million. Other loans, excluding consumer loans, were about unchanged.

During this same 12-year span investments of all insured commercial banks grew from \$21,451-million on December 31, 1938 (including \$11,939-million of direct Government obligations), to \$96,043-million at the end of 1945 (including \$88,890-million of direct Government obligations). From these peak figures, investments declined in the following four years to \$75,793-million on December 31, 1949, including \$65,814-million of direct Government obligations.

What have been some of the effects on bank earnings of these changes and trends in the amount and composition of loan and investment totals? In 1939 Federal Reserve member banks had total income of \$1,296-million. Of this total

\$444-million, or about 34 percent, was received in interest on securities, \$560-million, or 43 percent, in interest and discount on loans, and the remaining \$292-million, or 23 percent, from other sources, including \$54-million in service charges on deposit accounts.

During 1945, the last year of the war, member banks' total income was \$2,102-million, an increase of \$806-million, or 62 percent over prewar 1939. Most of this over all increase of \$806-million was accounted for by expanded interest on securities (chiefly U. S. Government bonds), which rose by \$692-million from 1939 to 1945. During the same period income from loans increased \$28-million and all other income by \$86-million, including an increase of \$33-million in service charges. Net profits, after all expenses, rose from \$347-million in 1939 to \$788-million in 1945.

Emphasis Changes

Since the end of the war there have been further changes in the relative importance of major bank income sources. In 1949 total income of \$2,986-million for all member banks was \$884-million greater than in 1945, but income from investments was actually \$108-million less in 1949 than it had been in 1945. The major portion of the income increase during these four postwar years was contributed by loans, with income from this source rising by \$839-million. Income from other sources rose by \$153-million, including an increase of \$71-million from service charges. Net profits in 1949 were \$686-million, which was \$102-million less than in 1945, de-

spite the increase of 42 percent in gross income during this period. The two chief factors behind this inability of net profits to rise with an expanding gross income were the higher operating costs in 1949 (especially salaries and wages, which increased 60 percent between 1945 and 1949), and lower recoveries and profits, which were \$299-million less in 1949 than in 1945.

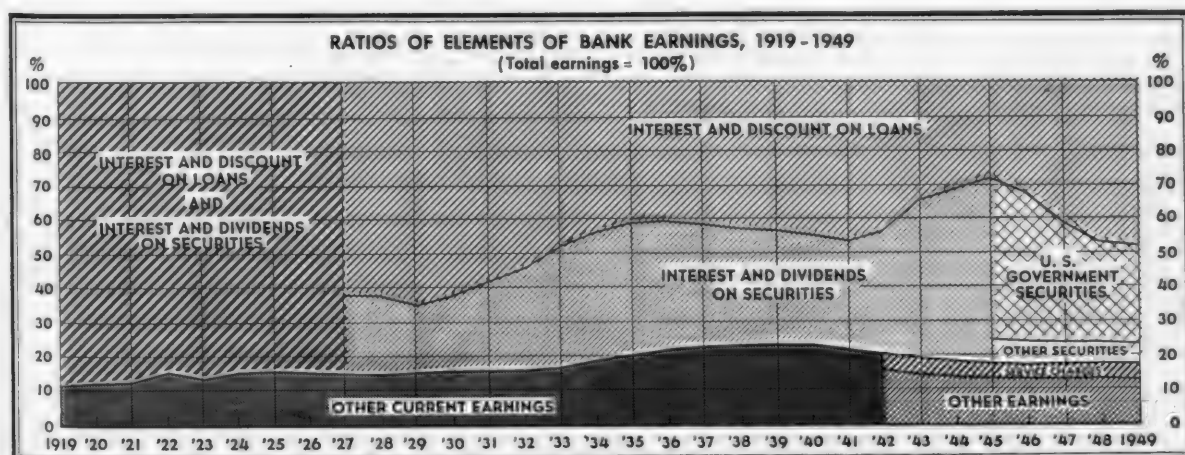
Outlook Appraised

In any appraisal of the outlook for bank earnings, the following observations may be made on the experience of the past:

(1) Loans, traditionally the major contributor to bank income, were temporarily eclipsed by securities, chiefly U. S. Government bonds, during the war. In the postwar period, loans have reestablished by a wide margin their position as the No. 1 earning assets of banks.

(2) Today's loan volume is not as homogeneous as it was a decade ago. Loans for purchasing or carrying securities occupy a relatively minor position in most loan portfolios today (about 6 percent) as compared with twice this percentage as recently as 1939. Real estate loans held by banks have tripled in volume during the past 10 years, and today are two-thirds as large as were total bank loans in 1939. Consumer loans of banks, in the four years since 1945 during which separate records have been kept, have expanded three and one-half times. Today they are about 50 percent greater than all the commercial loans of insured commercial banks in 1939.

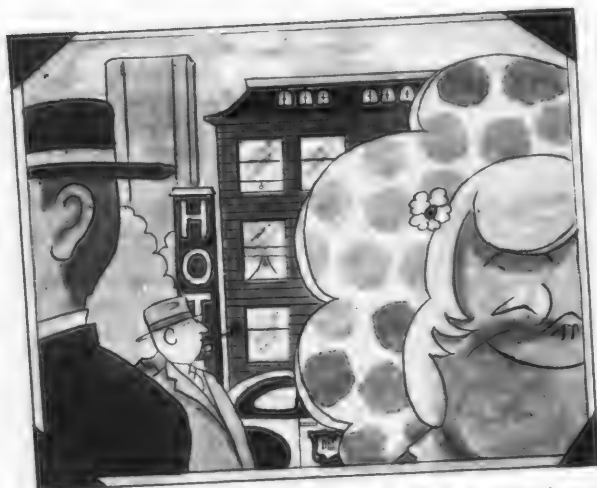
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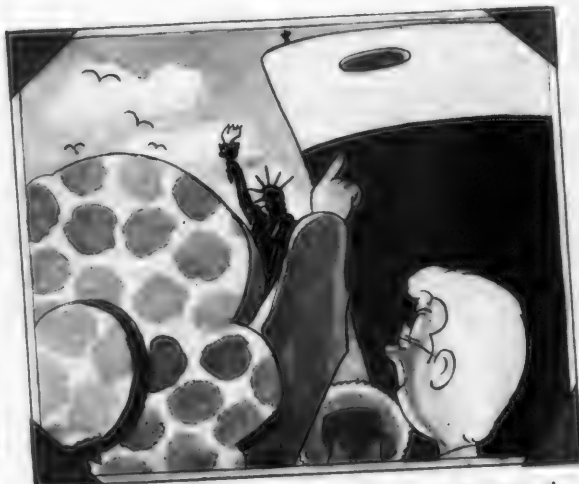
Selected Views... Our New York Trip



We really had a time at the convention in New York, Hank. . . . Wonderful town. You should visit it soon. I'll show you some pictures we took; it'll give you an idea of what it's like. . . .



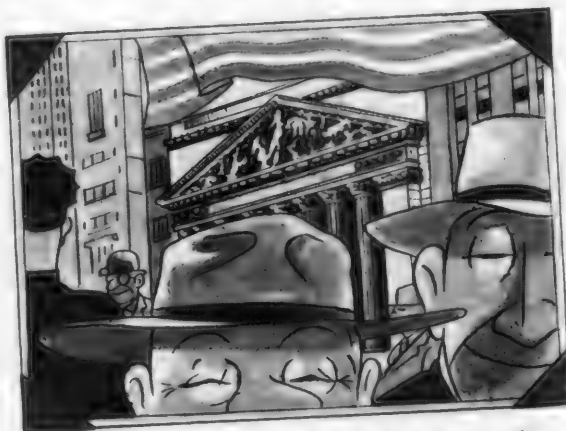
Here's a shot of our hotel. . . . Swell place. That's Martha in the foreground. Our room was just about behind the flower in Martha's hat.



I was lucky on this one. Got the Statue of Liberty and the bow of the Queen in one picture. Some sight isn't it? That's Martha in the foreground.



The ferry from the Statue of Liberty was quite crowded coming back, but I managed to get this one of the lower Manhattan skyline. A majestic sight if ever I saw one.



Here's a dandy of yours truly and Ed Watkins, our vice-president, in front of the Stock Exchange. There's a busy place for you. . . . You should see the people in that Wall Street area! What a sight!

Sept. 1950

By DICK ERICSON



Riding up town I managed to get a unique shot of the Empire State Building right through the window of the cab. What a majestic sight! That's Martha in the foreground.



We went over to Times Square where I shot this view looking up Broadway. What sights over there! That's not Martha in the foreground.



Look at this one, Hank. I sneaked my camera into one of the big night clubs and grabbed a shot of the atmosphere. That's Martha in the foreground, unfortunately.



Here's a real timely one—a shot of the new UN building from Tudor City. All glass! What a sight! And, of course, Martha.



The trip was really successful for Martha when she spied her favorite movie actor on the street. I snapped one of him signing his autograph for her. Hank, that'll give you an idea of the town. . . . Don't miss seeing New York soon.



An office in the Pentagon Building, one of the Capital's busiest spots this summer

Bank Credit Mobilizes

LAWRENCE STAFFORD

BANK credit was mobilized as the first "shock corps elite" to stave off war-born inflation.

This was a handy thing to do. People remembered all about Regulation W from the last war and the postwar period. Panic buying began to get out of hand. It was natural to call upon that familiar device, instalment credit control.

It was easier because it was simpler. The administrative machinery under the Federal Reserve Board is simplicity itself. Good old Regulation W provided a handy way for putting a curb on inflationary buying.

Some of the other controls, allocations and priorities, were much easier to describe than to put into operation. Before they could be called into being, war production planning had to go much farther. Needs of military production for scarce materials had to be estimated in some rough form. Then one had to create a bureaucracy to administer the controls, and finally to

determine how far and how fast materials controls should be applied.

Banks Enlist in Anti-inflation Fight

As noted in last month's *BANKING*, F. Raymond Peterson, president of the American Bankers Association and chairman of the board of the First National Bank and Trust Company of Paterson, New Jersey, wrote to banks advising them to avoid any loans which would accentuate the war inflation, whilst taking care of the legitimate credit needs of their customers.

Federal and state bank supervisory officials a few weeks later, joined in a similar public statement. Signing this "anti-inflation" manifesto were the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Home Loan Bank Board, and the National Association of Supervisors of State Banks.

This statement had a new twist. It did not call upon banks alone to

restrain credit inflation. It seemed to acknowledge the forehanded advice of the A.B.A. president, and called upon others to do their part:

"... that as a further important safeguard against inflation we shall need to restrain credit expansion," the statement said, "and that if we are to be successful there must be sensible and restrained action by businessmen, laborers, farmers, and consumers. The need for exercise of restraint is all-embracing. It applies alike to governmental agencies, national and state, as well as to private institutions and individuals."

Propose Broad Credit Curbing Powers

In the legislation which the Administration sent to the Capitol to implement the President's controls message, the broadest language was suggested for empowering administrative agencies to restrict and regulate real estate and consumer credit.

Such regulations, the bill proposed, "may, among other things,

prescribe maximum loan or credit values, minimum downpayments in cash or property, trade-in or exchange values, maximum maturities, maximum amounts of credit, rules regarding the form and time of various payments, rules against any credit in specified circumstances, rules regarding consolidations, renewals, revisions, transfers, or assignments of credit, and rules regarding other similar or related matters."

Chairman W. Stuart Symington of the National Security Resources Board, the leading Administration witness for the controls bill, threw an initial scare out by remarking in open hearing that "all forms of credit" ought to be controlled so as to avoid recourse to rationing and price control powers. This led Representative Jesse P. Wolcott (R., Mich.) of the Banking Committee to suggest that the bill would empower the President to "do anything he wants to do in respect to any credit."

Subsequently, however, officials denied that the powers in the bill would authorize any regulation of any other forms of credit than consumer and real estate credit. In particular they asserted that the legislation would not broaden generally the powers of the Reserve Board over banks, or make possible an increase beyond present statutory powers, in required reserves.

Mr. Wolcott Asks: "Why Cheap Credit?"

Mr. Wolcott persisted in attack-

ing the Administration for sponsoring low interest rates and cheap credit generally while asserting that it wanted to curb bank credit inflation. "Why do we deliberately keep money cheap and credit cheap, and then wonder why we have high prices?" asked Mr. Wolcott. He also noted that recently the FHA reduced to $4\frac{1}{4}$ percent from $4\frac{1}{2}$ percent the maximum interest chargeable on FHA-insured real estate mortgages, "to make credit easier." The Congressman suggested that the Administration tread the path back that it went down toward easier credit before asking for specific credit curbs. His advice, however, was largely unheeded.

This advice went unheeded because the instalment credit curb was seen as the effective way of slicing off almost at once a large segment of effective "buying power" for consumer durables by requiring larger downpayments and faster curtailment of loans used to buy them. Incidentally, it went unheeded also, of course, because the Administration is committed so deeply to the idea of low interest rates on so many fronts.

War's Scope to Determine Depth of Later Curbs

There was another objective beyond stemming the inflationary rush toward purchase of consumer durables. As became so painfully obvious during the tortuous debate at the Capitol on standby controls over prices, the rationing of scarce commodities, and wages, the Admin-

istration ardently hoped that cutting off buying credit would adjust effective demand to possible curtailed supply, so that the unpopular devices of rationing and price control could be avoided.

The language vesting such a broad control power over consumer and real estate credit, however, indicated that the long-range objectives of credit control were much more far-reaching than merely staving off possible application of price and rationing control until after next month's congressional elections.

In essence credit control must, as the war deepens, play a vital part in curbing the standard of living, on the negative side, as the supply of the good things of life decreases with the lengthening of the shadow of war. On the positive side, credit must be channeled into producing the weapons of war or the "necessary civilian" goods for the war economy.

So the extent to which these broad powers may be applied beyond the present immediate considerations depends fundamentally on what kind of a war the United States will find itself involved in. To a very large extent only the Kremlin knows that answer.

On the other hand, officials of the Federal Administration have failed dismally to have such answers as were in their power to know, or presumably in their power to know. The proposed initial credit, materials, and requisition controls were asserted by responsible Administration spokesmen to be necessary to

(CONTINUED ON PAGE 120)

ECHO

The photo below at the left shows a scene in Washington on October 31, 1942, when pickets in the Capital City were attempting to dissuade shoppers from hoarding. On the right is Bernard M. Baruch telling the House Banking Committee on September 19, 1943, that a ceiling should be put on prices. He called such a move "the greatest necessity of our present crisis." Hoarding and Mr. Baruch's "greatest necessity" are again very much in the news



HARRIS & EWING



WIDE WORLD

Help Directors

The author is senior partner of Peat, Marwick, Mitchell & Co., certified public accountants, and a member of the executive committee and council of the American Institute of Accountants.

He is deputy treasurer of the International Chamber of Commerce, member of the executive committee of the United States Council, I. C. C., and, during the last war, was special assistant to the Director of Industry Operations, War Production Board.

In a later issue MR. BLACK will discuss the auditor's viewpoint on bank examinations.

BOARDS of directors of banks or, in the case of savings banks, boards of trustees or managers are required by regulations promulgated by the Comptroller of the Currency or by law in a majority of the states to appoint from their number a committee, whose duty it is to make or cause to be made an examination, at least once each year, of the financial condition and affairs of the bank and to submit a formal report in writing on the results of their findings. The number of members of this committee depends upon the size of the bank and may vary from three to six or more. It has proved beneficial to certain banks to have each of the members of the committee serve for three consecutive years, one-third of them retiring each year upon completion of service and being replaced by newcomers. An examination by an examining committee, if sufficiently extensive and thorough, will of necessity demand a great deal of time from each member.

While members of boards of directors can carry out the detailed examination capably enough as individuals for the most part, they suffer from two fundamental disadvantages—first, they do not have the time necessary to make the examination and, second, they do not have at their disposal a sufficiently large number of experienced assistants who are not employees of the bank, and not answerable to the bank's management and officials, to help them to make a comprehensive and searching analysis of the detail work entailed in a thorough examination. Furthermore, it is difficult for an examining committee made up of members of the bank's directorate to initiate their examination with the vital element of surprise. This is a paramount requirement of any bank examination. Unless the surprise element is present, the effectiveness of an examination is virtually lost. It is natural, therefore, that the question should arise frequently in the minds of committee members whether they should engage professional certified public accountants to undertake the work on their behalf.

The thought that the directors should employ independent accountants to conduct the periodic examinations apparently is shared by the legislators in several states. Changes in the banking statutes of a number of states, recently enacted or contemplated, provide that independent accountants can be employed to conduct the directors' examinations.

Examinations undertaken by internal auditors or comptrollers, while valuable and useful, are not necessarily conclusive. The very lack of independence or externality inherent in their approach to the problems before them detracts from the effectiveness of their work. The examiner could quite conceivably be accountable to the bank's only dishonest officer. Another difficulty would be found in the audit steps required to prevent substitution of

assets. Here it is important to examine all departments and branches of a bank at the same time. Seldom does an internal audit department have at its command a staff large enough to accomplish this overall coverage without disrupting the normal routine of the bank. The ideal arrangement is to make professional accountants assume the responsibility for the examination with the members of the internal audit department working in harness with them as a team.

In addition to the directors' examination, the following supervisory authorities make examinations of various types:

NATIONAL BANKS

Examined by

National bank examiners representing the Comptroller of the Currency

Examinations made

Two examinations each year

STATE BANKS, INCLUDING SAVINGS BANKS

Examined by

**State bank examiners
Federal Reserve bank examiners, or
FDIC bank examiners**

Examinations made

**Generally one examination each year
—usually made jointly**

In certain localities the local clearinghouse examiners also make limited inspections.

There are some directors who believe that the periodical examinations made by state or Federal authorities eliminate the need for independent investigations on their behalf. Such directors should remember that examinations by supervisory authorities are designed to a large extent for a wholly different purpose from those made by a bank's examining committee. The regulatory examiners, in the time

W. M. BLACK

available to them, cannot go into the details of all operations and policies which may be of peculiar interest and concern to the directors. Within their limitations, examinations by regulatory bodies are thorough and valuable, but they are designed in the main only to:

(1) Appraise the assets of a bank and substantiate the amount of its liabilities to depositors and others to determine its solvency and liquidity.

(2) Evaluate the management and the general policies of the bank.

(3) Make certain that banking laws and regulations are strictly observed.

Responsibilities of Directors

The various supervisory authorities, both Federal and state, make their examinations in the public interest. They are not subject to the influence or control of the board of directors whose view may differ widely on questions of scope and depth.

Bank directors are chosen largely because they are men of outstanding ability in some special field of endeavor and men who have earned the respect and confidence of the community they serve. To them the depositors must look for the safety of their deposits and upon them the stockholders must rely to see that their investment is soundly administered. Directors, however, are invariably men busy with their own affairs and, of necessity, must delegate the management of the bank's operations to its officers and employees. The directors, however, cannot delegate their legal and moral responsibility for the safe and prudent management of the bank's affairs.

For the reasons mentioned and for their own financial safety it is imperative, therefore, that they assure themselves that the bank's

management is operating the institution with safety, efficiency, and with due regard for the laws and regulations imposed upon them. This assurance can best be realized by periodic examinations, including special investigations deemed necessary to meet unusual situations. These comprehensive examinations, if effectively conducted, require the undivided attention and intelligent effort of those accepting the responsibility. They should be undertaken by men of experience, especially trained for the purpose, leaving the directors free to devote their time more profitably to questions of policy and business development.

Bank Benefits

But the directors and officers may still ask the natural question, "What particular benefit does a bank obtain from engaging professional certified public accountants instead of having its own committee examine its affairs?" There are many benefits, among them the following:

First: An examination by independent accountants gives to a board of directors, who, for the most part, are not closely acquainted with all the details of running a bank, assurance that the bank's own assets and those for which it is responsible (such as collateral against loans, securities, and other items held in trust) are all in actual existence at the date of the inspection. Where operations of a bank are sizeable, professional certified public accountants muster a large enough staff to cover all moveable items of consequence at the same time.

Second: Members of the examining committee of the board of directors are freed from the details incident to a comprehensive examination and, in discussions with their professional accountants, they make an appraisal of the bank's overall condition instead of becoming mired in details.

Third: The broad experience of certified public accountants in banks and in commercial enterprises gives them a body of knowledge from which they can offer suggestions for improvement or simplification of methods looking toward efficient and economical bookkeeping with a resultant saving of time and money.

Fourth: The employment of outside auditors assures the bank man-

agement of the proper handling of Federal and state income taxes. Banks can accurately determine taxable net income but sometimes they have failed to take advantage of all recent income tax rulings and decisions. Furthermore, throughout the year the professional accountant is available to check the adequacy of the tax reserve. From an operating management viewpoint, it is important that the tax reserve in the periodical financial statements submitted to the board is neither materially overstated nor understated.

Fifth: Certified public accountants are equipped by training and experience to report to a board of directors the facts disclosed by their examination in such a way as to enable the directors to evaluate a situation and reach a decision regarding it.

Sixth: The directors individually have reasonable assurance that, if any undiscovered shortage exists, failure to find it is not due to lack of diligence, reasonable care, or prudence on their part. They are entitled to place reliance upon the work of competent and responsible experts.

Insurance

Seventh: The knowledge that every year a professional auditor, experienced in bank auditing, is going to make a surprise examination, without prior notification to any officer or employee of the bank, is a powerful deterrent to would-be embezzlers. It is recognized, however, that the auditor is not an insurer and, consequently, not a guarantor that there never will be a misappropriation or, if there is one, that he is not responsible for the loss. To cover possible losses every well run bank carries adequate fidelity insurance. But from the viewpoints of morale, sound business, and public relations, it is better and wiser to try to prevent the occurrence of a misappropriation even if an insurance company is required to make good after such an event has actually taken place.

Once the examining committee of the board of directors has decided to employ professional certified public accountants to make their examination, the next step to decide is who is best qualified to undertake

(CONTINUED ON PAGE 141)

Shall We Join a Cooperative?

MILES L. COLEAN

Here is the fourth and final part of John's and Mary's story. The beginning of their experience in borrowing to build a home began in the April issue and continued in May and July. The author is a nationally known authority on housing and related topics. He is a consultant to the Twentieth Century Fund and building adviser to the magazine, House Beautiful.

"THANKS a lot for the advice. I understand this business a good deal better than when we came in," the prospective home buyer said to his banker (referring to the conversation reported in the July issue). "I think we'd better get down to closing the deal."

"Not just yet," his wife put in, "There's one more question I want to ask."

"Go ahead, Mary," said Mr. Brown. He was beginning to feel well acquainted. "What is it?"

"Some of our friends have been talking about a cooperative. What do you think of the idea?"

"I'd have to know more about it," Mr. Brown answered cautiously.

"Well, we'd all go together and buy a piece of land. Then we'd hire an architect to draw plans. Then we'd arrange for a loan and let a contract. And then we'd have the houses. They say we could get them a lot cheaper that way than we could any other way—and get what we want besides. Is that so?"

"It might be. But there are a lot of things to consider about cooperatives. In the first place, there are two kinds. In one case a group gets together simply for the purpose of letting a collective building contract—on the assumption that they will be able to cut building costs and, as you say, get what each member wants. Then they take separate ownerships and separate mortgages. In the other case, the group takes a collective ownership as well, giving long-term leases to the members. This second method is usually applied to an

apartment building, but it would work with separate houses as well. Which sort of proposition is yours?"

"Well, this is the way they describe it," Mary went on. "We'd lay out the houses around a nice little court to get them back from the street and we'd all own them together like you say. We'd save money on upkeep that way, too."

"Now let's see," Mr. Brown said. "The advantage you'd expect is that you would get a house cheaper and closer to your desire than you could get one some other way. Before we go into that, let's consider another important angle. You'd be going into a joint venture with your friends. You'd be undertaking joint obligations. I don't know whether you know what that means or not. But it's just this. The success of the venture depends upon the ability of everyone in the group to carry out his agreements or the ability of the rest either to carry the load of the defaulting member or to find a substitute for him. There has been no sure way yet invented of protecting the investment of a member of a cooperative housing venture against the defaults of his associates. Like any other corporation, the proposition stands or falls as a whole.

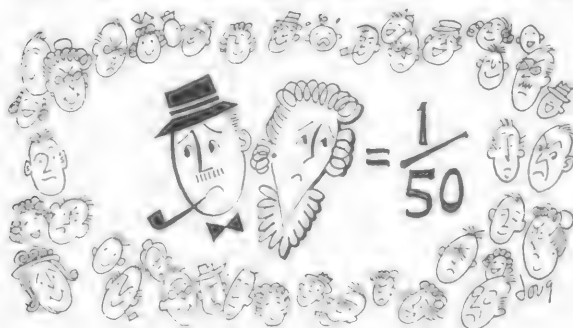
"Furthermore, you cannot in a true cooperative put in more equity than the rest, except at your own risk, or pay off your share of the debt any faster than the rest. If you want to sell, you have to find someone who wants to join a cooperative and, usually, one who is acceptable to the cooperative. That's bound to limit the market somewhat. The freedom of movement that you would have with your own mortgage on your own separate property isn't present.

"Now, of course, if the cooperative venture is set up to last for the construction period only, with the idea of giving each member title to a separate piece of property when the job is finished, the long term joint risk is eliminated, and the limitations on sale are probably eliminated, too. But you will still be subject to a joint liability during the construction period, which would leave you the choice of putting up more money or losing your property if extra costs should develop or some of your associates should fall down on their payments.

"If you go into a cooperative, therefore, my advice, is that you carefully investigate the credit standing of your associates and that you be sure the organization has an ample reserve fund. This means, of course, that you would have to—and ought to—put in more cash than if you were buying or building a house on your own single responsibility.

"So much for that. Now against the special risk in a

(CONTINUED ON PAGE 161)





Ships beginning their voyage from New York Harbor

CHARLES PHELPS CUSHING

This War Is All Ours

HERBERT BRATTER

WASHINGTON

WHILE Pentagon strategists keep moving pins in the maps of the Korean war, the State Department's planners are moving dollar signs about on their global charts. Arms for Europe, the dollar gap, Point IV, "1952"—all are aspects of a picture rapidly changing. Because Europe is ready to make arms for us, for pay—arms to be given to our own troops and our allies—and because we are now making heavy stockpile purchases of rubber, tin and the like, regardless of price, the European and sterling-area dollar gap is for the present disappearing as a problem. In response to Trygve Lie's appeal for armed aid in Korea, all Latin America to this writing has offered, according to the newspapers, is 30 Bolivian officers and 5,000 Nicaraguan troops. The Latins, who have jealously watched ECA dollars developing African raw materials, will gladly sell us whatever we need for the war. From whatever angle you look at it, this is without question our war from the outset.

The Philippine Government, preoccupied with rebellion and corruption, while waiting for the results of the U. S. mission now studying the islands' economy, has advised Washington it is willing to send troops to Korea if we will foot the bill. India, Iran, Turkey, Greece, and others continue to count on us to finance their development and defense plans as though the wealth and might of the U.S.A. were boundless.

ALWAYS CHANGING, ALWAYS THE SAME

While the picture of world affairs and world business is always changing, it is always the same in that the whole non-communist part of the globe continues to base all its plans on what Uncle Sam provides. In Europe and elsewhere since World War II we have been engaged in the Sisyphean task of "containing" the USSR by "buying" anti-communism elsewhere through heaps of gifts. Twelve days before the Korean war the ECA told Congress its efforts south of the 38th parallel had work-

ed to perfection. Korea now makes us wonder how well ECA has secured Europe against the Red wave. Europeans at least seem to think that the answer is: Not at all. While Yankee arms and ever more Yankee dollars are welcome and indeed insisted upon in Europe, a million or two GIs would make the Western Continentals feel better. Western Europe and even Britain, according to Mr. Churchill, are in graver danger than in 1940. Ten years of blood, sweat and tears and still a nightmare.

ESTIMATES CHANGE DAILY

With estimates changing daily, there is no way of telling just how many billions the rearmament of foreign nations will cost the U. S. taxpayer this fiscal year. Some place the figure as high as \$5-billion. This would be nearly as much, for arms alone, as the average foreign aid per annum in the years since World War II. The NAC reports the average annual outlay in the "post-war" period as \$5.8-billion. From July 1945 through December 1949

the aggregate was \$26-billion. Should the present war grow bigger, there is no telling what foreign aid will cost us. In Europe, where underneath the "symbolic gestures" of being with us in the fight against communism there exists a strong undercurrent of isolationism, they are talking about "a permanent Marshall Plan," a revival of full-scale lend-lease for military purposes, and the like.

LATIN AMERICA AND KOREA

An early aftermath of the outbreak of war in Korea has been the stepping up of Latin American buying in the U. S. A. Not wishing to be caught without supplies, many Latin Americans have been ordering for inventory such things as tinplate, iron, and steel equipment. Brazil has relaxed its restrictions on imports to permit the purchase of 100,000 tons of American wheat. While the risk need not be exaggerated, in some countries where exchange problems are serious this will result in additional backlogs in the paying off of dollar commercial debts. How much this will affect the obligations of countries like Chile, Colombia, and Uruguay will depend on the rate of inventory expansion. Counterbalancing factors are also at work: high prices for copper and other Latin American exports. On the governmental level in Washington thought needs to be given to avoiding repetition of some of the more egregious blunders of our economic relations with Latin America during World War II. Price control by the U. S. involves delicate questions of Latin relations and may greatly influence the volume of raw materials obtainable south of the border.

HEMISPHERE ROUNDUP

A Commerce Department midyear survey of Latin America found the situation and outlook favorable. Latin American countries have been devoting more attention to enlarging the domestic food supply. In Argentina this represents a shift from over-ambitious industrialization plans. In Chile, Colombia, Ecuador, and Mexico modernization of agriculture has been aided by the World Bank, the Eximbank and private American capital. Shipments of iron ore from the Bethlehem Steel Company's Venezuelan mines should begin this year. U. S.

Steel also is developing Venezuelan mines. In Brazil, Bethlehem is exploring manganese deposits, and in Chile is developing iron deposits. Latin America now produces about 1,000,000 metric tons of steel annually. Flying time to "B.A." is being cut by 11½ hours. Cuba and the Dominican Republic may have sugar surpluses next year. Austerity in hard-currency imports is still the watchword in Argentina. Political instability still worries several countries.

MEXICO IN THE NEWS

Mexican oil finds a place in the news and in current thinking in Washington, thanks in part to the publicity arrangements recently announced by the government petroleum monopoly, PEMEX. In July PEMEX ran a two-color half-page advertisement in a Washington newspaper calling attention to Mexico as the "world's safest oil supply" for the U. S. A. Nothing has been heard lately of the desired loan for Mexican oil development, but it would not be surprising if negotiations were reopened. Meanwhile, PEMEX has closed another contract with a group headed by Edwin W. Pauley for exploration and development of oil resources. A new refinery to produce gasoline has been opened at Salamanca. The U. S. Commerce Department has issued

Cover of a booklet published in The Netherlands, describing for inhabitants of that country how the Marshall Plan benefits them and what it costs U. S. taxpayers



THE MARSHALL-PLAN AND YOU

an analysis of the effects on petroleum imports of the termination of the U. S.-Mexico trade agreement.

TRADE CONTROLS TO GROW

Latterly export controls have been administered by Washington from the standpoint of what should or should not be allowed to go behind the iron curtain—and always in the light of the fact that a trickle of strategic commodities has been shipped to us by the Russians. Now, in view of growing scarcities in this country, the Commerce Department is preparing to increase the list of export commodities which it controls. Meanwhile, at Torquay, England, starting September 28, multilateral trade agreement negotiations will be undertaken with a view to finding mutually advantageous trade and tariff concessions. Numerous American industries have been pressuring their Congressmen to keep them protected. To American watch interests, which have been notably vociferous, Congressman Earl T. Wagner of Ohio points out that it is much better that the Swiss should be making watches for us than precision instruments for the communist nations.

KOREA AND WORLD BANK

The Korean war has not had any important effect on the operations of the World Bank, Eugene Black informed BANKING early in August. As for the future, much depends upon the duration and intensity of the conflict and whether it spreads. "Naturally the maintenance of peace of any member country would have an important bearing on that member's application either for a loan or a mission," Mr. Black observed. But so far this question has not arisen. . . . Some people in Washington are wondering about the fate of the Bank's outstanding loans in the event of a World War III. Most of the Bank's loans have been made with a several-years period of grace before servicing is to begin. . . . India asks for extensive liberalization of the Bank's charter, being dissatisfied with the several loans it has obtained.

EUROPEAN MONETARY FUND

The European Payments Union, the negotiations for which the State Department hailed on July 13 as successfully culminated, was still
(CONTINUED ON PAGE 104)



The Country Banker

News for Country Bankers

This news covering various aspects of country banking was compiled by MARY B. LEACH of BANKING'S staff.

Mobile 'Phone in Field Car

IN an article, "Our Job is to Help People," appearing in a recent issue of the *Mid-Continent Banker*, Joel A. Burns, assistant vice-president, Lovington National Bank, Lovington, New Mexico, tells how his three-year-old bank is helping the agriculturists of southeastern New Mexico learn irrigation farming and crop diversification.

"First, we found that most of the farmers coming into this area knew very little or nothing about irrigation," said Mr. Burns. "This county (Lea) is too big for me to be able to visit each farmer often enough to pass on to him all the latest information that is necessary for him to know. . . . to be able to keep each farmer abreast of new developments we developed a bulletin, which is published twice monthly, called *Your Banker Sez*. . . . The information that we present is timed so that it reaches the farmer just ahead of an operation he is about to begin."

Each issue of the bulletin includes a livestock section and an "exchange sheet," in which the bank lists items

Mr. Burns, above, is shown using the mobile 'phone in the Lovington National Bank's field car

that farmers or ranchers want to sell or exchange.

Mr. Burns tells in the *Banker* about the bank's field car equipped with mobile telephone equipment, which the bank considers its most effective public relations medium.

"I use the telephone extensively," he said, "in keeping posted on last minute market reports so that a farmer will receive full benefit on any sales of crops or livestock that he is about to make.

"Our car does not have a sign painted on it as you might think. But on the rear fender is a long antenna that is part of the mobile 'phone equipment. It is surprising how much this is boosting our advertising campaign. The car has become very well known in the entire farming and ranching area. . . ."

"Mail Order" Accounting

THE state farm bureaus in Massachusetts, Connecticut, and New Hampshire make available to farmers a "mail order" bookkeeping service which fills a real need, says the *New England Farm Finance News*.

The *News* points out that while farm account keeping frequently starts out on January 1 in a bright flush of enthusiasm it is likely to languish when spring planting gets under way, and farmers finish up the year with only sketchy records and their objectives not achieved.

"A key part of the service is a checkbook with a detachable stub," reports the *News*. "On this stub is entered the date, amount of check, payee's name, and the account for which the expenditure was made. There is similar opportunity to indicate deposits and to give detail showing the sources of the funds. At the end of each month the stubs are mailed to the accounting service office, and usually within a week to 10 days the farmer receives a monthly and a year-to-date breakdown, by account, of his receipts and expenses. At the end of the year he receives a percentage analysis of receipts and expenditures for his own business, together with average figures for similar types of farms."

The fee schedule for this service is as follows:

\$4 monthly minimum charge where annual gross income is less than \$5,000; \$1 additional monthly charge for each additional \$2,500 increase in annual gross income up to \$20,000; \$11 monthly charge up to

\$30,000 income; \$12 up to \$40,000, and thereafter an increase of \$2 monthly for each \$10,000 increase in annual income up to \$80,000; \$80,000 to \$90,000, \$22.50 monthly; \$90,000 to \$100,000, \$25 monthly; \$100,000 and up, by agreement.

Emphasis on Accounting

FARM youth recognition and awards, better utilization and conservation of the soil, and emphasis on better farm accounting will be the main projects of the committee on agriculture of the Illinois Bankers Association for the 1950-51 association year.

Following the organization meeting of the committee, under the chairmanship of Melvin Lockard, vice-president, First National Bank, Cobden, there was a land use tour of the University of Illinois Dixon Springs Experimental Farms.

The tour revealed that grass farming in the rolling lands of southern Illinois can be made to increase the productivity of marginal land that has heretofore been unproductive.

Bankers throughout the state will be urged to participate more actively in soil use field days and to promote banker-farmer meetings for exchange of ideas and better understanding of mutual problems.

The 10-year program of the committee of awarding plaques to outstanding chapters of Future Homemakers of America, Future Farmers of America, and to 4-H Clubs, now in its third year, has helped to stimulate further the interest of farm youth in their organized activities and will be continued.

Bankers Learn Farm Techniques

MILTON S. EISENHOWER, president of Pennsylvania State College, was one of the principal speakers at the annual Agricultural Clinic of the Pennsylvania Bankers Association at the college last month.

The two-day program featured tours, demonstrations and discussions. The clinic is designed to acquaint Pennsylvania bankers with the latest techniques and developments in the broad field of farm management so they will be better able to appraise and accommodate the farm credit needs of their respective communities.

"Our only requirement is that you don't go too soon or too far"



Two different programs were presented this year, one for those who did not attend the 1949 clinic and another for those who were present for last year's sessions.

Loans to Farm Youths

FORTY-SIX youngsters, learning farming through the Future Farmers of America and 4-H Club projects in the Yuma area, were financed by the livestock department of First National Bank of Arizona during the last year. Loaned to these young people on their own signatures alone was \$10,433.64. At the time each loan was made, the young borrower was interviewed by Roy Young, head of the bank's livestock department, who explained how the loan was made and why, for the sake of their future operations, those youngsters should regard it as a prime responsibility.

Officers of the bank say that usually no adults are asked to sign the notes with the young borrowers. There is not one single case of default on the bank's books.

In addition to these loans, the livestock department of the bank here also financed the initial purchase of calves for both 4-H Clubs and Future Farmers of America and at no cost to the organizations. These initial purchases amounted to 141 head of cattle at a cost of \$15,433.92.

Banker Teaches Teachers

IN her "Tell-Tale-Teller" column in *The Leesburg Commercial*, Belle S. Hamilton, First National Bank of Leesburg, Florida, and a regular contributor to *BANKING*, tells how

Carlisle Rogers, First National vice-president, evened an old score with his teachers by teaching three score of them a thing or two.

"Last week," writes Mrs. Hamilton, "he had the privilege of conducting more than three score Lake County teachers over the ranch south of Okahumpka owned by himself and Austin Merritt, and explaining its mysteries. The course presented by 'Teacher' Rogers included explanation of the different types of grasses—their origins and histories—methods of planting and fertilizing, and many other details. . . . The student and professional group included an instructor from Florida State University, Tallahassee; Bob Norris, Lake County Agricultural Agent; Walter Shaffer, soil conservationist; several vocational agricultural teachers, and many elementary school teachers of Lake County and Leesburg.

"With all these experts expounding, the teachers really received an intensive course in Lake County agriculture, which they feel will give them an insight into the farming operations of this section, so that they may discuss them intelligently with the children in their classes. . . . Later trips are planned for visiting ferneries, orange groves, dairies, truck farms, watermelon fields and other farming enterprises.

"Of course there was one ambition that Carlisle Rogers and the other group-up schoolboys didn't realize—they didn't avenge their boyhood wrongs by giving their pupils a complicated examination on the subject covered after class was over! But one can't have everything!"

Forestry Study Tour

BANKERS and landowners from 10 counties in the Pensacola, Florida, area met in Pace on July 20 to see and hear about the economic potential that lies in forestry. Arrangements for the six-stop forestry tour were made by the forestry committee of the Florida Bankers Association, in cooperation with J. W. Gingles, vice-president and cashier, Citizens and Peoples National Bank, Pensacola, who is a member of the FBA's executive council.

The tourists studied some good forestry plantings and a slash pine nursery; inspected a paper and pulp mill; and observed some of the work of the Florida Forest Service, including its fire protection devices. G. G. Ware, chairman of the FBA forestry committee and president, First National Bank, Leesburg, was in charge of the program.

A noon barbecue was one of the attractive features of the tour.

Farm-Forestry Meetings

ASERIES of three farm and forestry meetings will be held this fall in different sections of Missouri under the sponsorship of the committee on agriculture and agricultural credit policy of the Missouri Bankers Association, with the forestry department of the Agricultural College, Federal Reserve banks of St. Louis and Kansas City, and the Missouri Conservation Commission cooperating.

The program for the first meeting, in southeast Missouri on September 8, will consist of an inspection tour of a selected farm which shows the results of a well-developed farm improvement program which has been carried out on that particular farm for a year. Following the farm trip, the group will meet at dinner, which will be followed by a speaking program.

The second of the meetings will be held in connection with the Annual Short Course in the principles and problems of financing agriculture, to be held in Columbia on September 29-30. The program will be built around data from a selected farm in central and north-central Missouri which has shown outstanding results from the use of a balanced farming program in that section.



"Come on—it's 3 o'clock, let's go!"

A forestry meeting will be held at Meramec State Park late in October. The major objective of this meeting will be to present to bankers the very best principles in forestry management and related subjects.

Agricultural and forestry leaders will speak at these meetings.

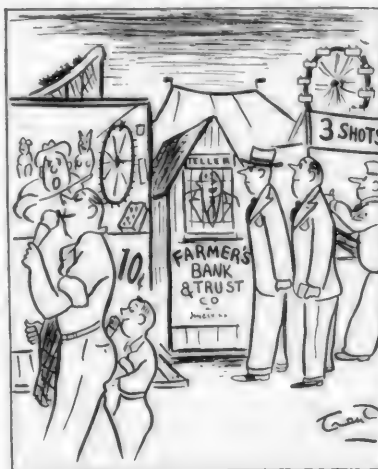
J. H. McFarland, vice-president, First National Bank, West Plains, is chairman of the MBA agricultural committee.

Farm-Trust Services

THE policies of its farm and trust departments in the management of farm properties are outlined by the First National Bank of Lexington, Kentucky, in an attractively illustrated 16-page booklet.

The main topics under discussion in the booklet include: "Your Estate"; "Continuity of Service";

"No loans for cones or races; just paying and receiving!"



"How You and Your Estate Benefit"; and "Data Sheet for Typical Farm." The data sheet includes a typical plat of a typical farm, with indices of improvements, crop lands, field history, etc. In a caption the bank points out that "similar information on all farms we handle is gathered while the owner is living, and kept on file so the trustee can do a better management job after the owner's death."

A "model" farm homestead is used to illustrate the cover page. Interior pictures include one of J. Ed Parker, Jr., vice-president and farm department manager, and Marshall Johnson, field man, during a survey tour; a group photo of top officers and some of the directors of the bank; the bank's trust committee; and two shots showing Mr. Parker and Robert S. Davis, vice-president and trust officer, cooperating in field trip inspections.

The booklet extends an invitation to customers to investigate its farm and trust and estates departments and lists its board of directors and officers.

War Effect on Farmers

The problem of farm surpluses will vanish almost overnight should the fighting in Korea prove to be the prelude to a general war, points out Robert D. McMillen, Washington editor of *Farm Journal*, in the August issue of that magazine.

"If we switch to an all-out war basis," said Mr. McMillen, "farmers must eventually expect to find farming operations rigidly controlled by the Government. This wouldn't come all at once, unless current planning is greatly speeded up.

"Controls would most likely come in the form of allocations for equipment, fertilizer, fuel and other necessities," the article says. A clue to what to expect might be found in wheat acreage allotments.

No one doubts that war—if it should come on a broad scale—would bring even tighter price controls, wage freezes, manpower drafts, shortages of some equipment and supplies, and other restrictions, than we had during the past war. The Government will try to nip inflation in the bud.

"As farmer," said McMillen, "you may have to feed the world again. Europe, if it isn't overrun by Russians, may once more need food."

Farm Land Prices Are On the Up

FARM real estate prices are moving upward again. This was apparent in March of this year when the index had moved to 169 from 168 in November 1949. It was definitely confirmed in July when the index reached 172 (1912-14=100). This is a 2 percent increase for the whole country during the four-month reporting period and offsets the decline in the latter part of 1949 and early 1950. These figures are based on findings of the Bureau of Agricultural Economics.

After reaching an all-time high of 177 in November 1948, land prices receded steadily with declining farm commodity prices to 168 in November 1949. Then it seemed that prices would go down still further with resultant lowering effect on the sale of farm lands. In this situation, however, there has cropped out a selectivity in farm sales revealing a fairly active demand in most communities for the highly productive land. This is particularly true where corn and feed, legumes, and nutrient grasses can be grown. It all adds up to the present strong position of livestock in the farming business. It means that where cattle and hogs can be raised and grazed, and where the feed can be grown, such land is in demand.

In most states dairying continues to dominate the demand for good lands, although labor costs are discouraging its extension. In the South and Southeast, however, where there are long growing seasons for grazing of pastures, the production of milk and livestock offers a needed diversification of the tobacco and cotton farmers whose crop acreage is being curtailed. This diversification movement is noted in most sections of the country in the reportings made by key bankers in response to the Agricultural Commission's request for land price information.

In the upward movement of farm land prices, 34 states are affected. The greatest strength is in Florida, Wyoming, and Alabama with an increase in their land prices of 7 percent, 5 percent, and 4 percent respectively. Thirty-one other states scattered throughout the country had increases from 1 to 3 percent. In only one state, Virginia, land prices remained the same as they were on March 1, 1950. Decreases ranging from 1 percent to 3 percent occurred in 13 states. This whole movement of the 34 states with higher farm land prices and the 13 revealing lower figures is shown on the map on page 57.

Factors That Indicate Higher Land Prices

In addition to the ever-widening interest in livestock as referred to above, there are many factors contributing to the general situation which make for higher land prices. Some of these factors are described as follows:

(1) There is an increased interest in the purchase of farms in many areas. Declines in land values anticipated following 1948 did not materialize and people who had been waiting for such declines are now investing in productive farm land.

(2) Continued large industrial employment, accentuated by the Korean situation, will keep domestic demand strong for farm products.

75 Years of Land Values

Farm real estate values have shown some phenomenal increases during the last 75 years. Despite short-term fluctuations due to changes in farm prosperity, the general trend in all areas has been upward ever since the country was settled. Westward expansion, new farming techniques, land development and many other factors have contributed to the gains shown in various states and regions. The rise in the national average has not been so spectacular because of the constant increase in the acreage of low-valued grazing lands that have been brought into private ownership. The Census of 1870 reported an average value of \$18 per acre for all land in farms at that time. By 1945, the national average had increased to over \$40, or a little more than double. Since 1945, values have increased about one-third, so the 1950 Census may show an average value of around \$55 per acre.

(3) The greater purchasing power of the American public will tend to keep farm commodity prices high.

(4) Farmers have ample machinery and the 'know how' so as to profit from continued high demand for farm products. Their strong position will have a steady influence on the buying and selling of productive farm land.

(5) The continued low interest rates will influence the farm real estate market.

(6) The Government's farm price support program will tend to keep farm income fairly high.

Commodity Price Rise Supports Prices

For the month ending July 15, 1950, the index of prices received by farmers was 263 percent of the 1910-14 average. This is a rise of 16 points and is the sharpest monthly increase in the index of prices received by farmers since March 1947. At 263 percent of its 1910-14 average, this index is at the highest level in 18 months and about 7 percent above a year ago.

The index of prices paid by farmers for things they use for production and living (including interest, taxes, and farm wages) has also risen during the past few months. Particularly since March 1950, the whole price structure has strengthened, with advances in both prices paid and prices received and a resultant higher parity ratio (representing the buying power of the farm income dollar). In fact, the parity ratio reached 103 on July 15 which is the first time it has been above 100 since April 1949. (See Chart I.)

While the position of agriculture seems favorable for the strengthening of farm land prices, the stability of these prices depends upon the net farm income which, in turn, depends on prices likely to be received and paid by farmers over a period of years in the future.

Through the years, there has been a definite correlation between farm land prices and prices the farmer receives for his products. For example, in the early Thirties, when prices of farm products reached an all-time low, farm land prices were also at their low. Likewise, in 1948 farm commodity prices and farm land prices reached an all-time high, concurrently. (See Chart II on page 56 for this relationship from 1910 to the present.)

County Key Bankers Surveyed

In July of this year the Agricultural Commission of the American Bankers Association surveyed the 2,999 county key bankers to determine the change in farm land prices and the farm credit picture in all agricultural counties. The great majority of replies—indicating the level of land prices about the same as a year ago—substantiates the B.A.E. indexes. A few key bankers indicated that land prices were higher than last year.

The actual turnover of farms was less than a year ago, according to over 50 percent of the key bankers. About a third of them reported sales activity about the same as a year ago. The key bankers report that when farms are sold, 25 percent of them are sold for outright cash with no mortgage or lien involved. In other words, about 75 percent of the farm sales are credit-financed. This is slightly higher than reported last year.

In an effort to determine what percentage of farm mortgages made by banks were for purchasing a farm, the county key bankers were asked the purpose for which farm mortgage loans were made in their counties. Of all farm mortgages made by banks, 53 percent were for the purchase of farm land and 47 percent were for the purpose of meeting current requirements such as production and operating expenses, making improvements, purchasing farm machinery, and refinancing other existing short-term indebtedness. The breakdown

Purpose of Farm Mortgage Loans Made by Banks

	U. S.	North-east	South	Mid-west	West
Buying a farm.....	30%	41%	28%	35%	22%
Purchasing additional land to make a larger unit	16	7	15	20	23
Transfer of property from tenancy to ownership	7	3	7	10	6
<i>Purchase of Farm Land</i>	<i>53</i>	<i>51</i>	<i>50</i>	<i>65</i>	<i>51</i>
Production and operating expenses	15	12	20	9	17
Farm improvements .	13	16	12	10	12
Machinery	9	11	10	7	7
Refinancing of other existing short-term debts	10	10	8	9	13
<i>All Other Purposes.</i>	<i>47</i>	<i>49</i>	<i>50</i>	<i>35</i>	<i>49</i>

of this information for the United States, as well as on a regional basis, is shown in the table above.

About 40 percent of the county key bankers said that the demand for farm mortgage loans was the same as for a year ago. The remainder of the key bankers were equally divided; i.e., 30 percent indicated that the demand was higher and 30 percent that it was lower.

The demand for operating capital was higher than a year ago, as reported by 45 percent of the key bankers. Only 14 percent indicated that the demand for these loans was lower, and the remainder reported the same demand as a year ago.

No widespread repayment difficulties on farm loans have been reported by the key bankers surveyed. Only 14 percent of the key bankers indicated an increase in delinquency of payments on farm loans. This substantiates the confidence that bankers generally have in the farmer and his wise use of borrowed funds.

What Country Bankers Say

ALABAMA—Many farmers are offsetting some lower prices in commodities by a change-over to cattle and hogs. Dairying is also being brought into focus and in many places is playing its part in keeping the farm income up.

ARIZONA—There has been approximately a 30 percent cut in short staple cotton planting; however, other profitable crops are being planted. More feed crops are being grown and the dairy and feeder cattle population is increasing.

ARKANSAS—This county at one time produced quite a lot of cotton, with the gins in this town ginning over 4,000 bales. Now they gin only about 400 bales. Farmers have turned to milch cows and feed production and the larger areas have beef production herds. They are learning the value of soil conservation and are building up their land.

Chart I

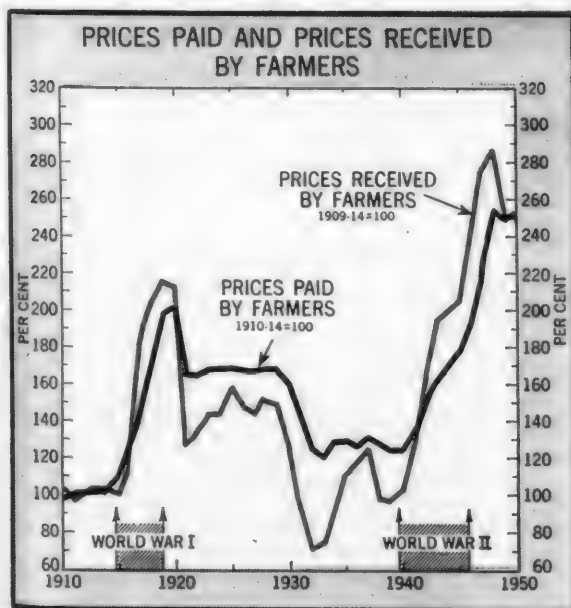
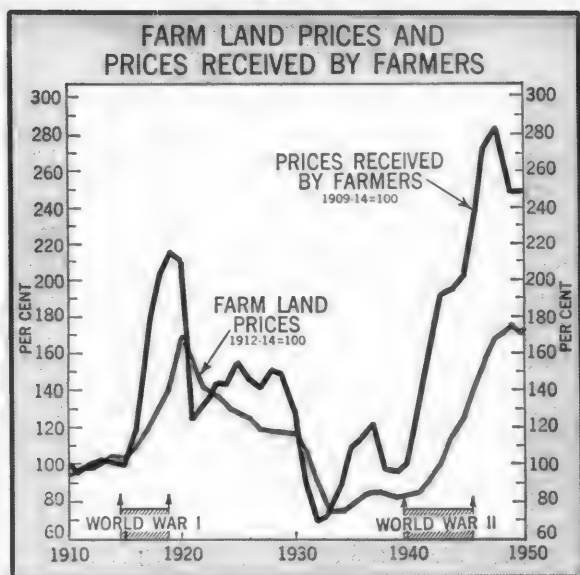


Chart II



CALIFORNIA—Even though prices have declined, farmers have reduced their operating expenses as well as expansion, and have still been able to operate profitably although on a smaller scale than in previous years.

COLORADO—Our livestockmen are in an exceptionally good financial condition, but crop farmers have experienced increased costs of production and their net incomes have not kept up with costs.

CONNECTICUT—The trend towards more grass silage and improved pastures continues.

FLORIDA—Our more progressive farmers are going into permanent pasture lands for livestock in a small way so that over a period of years, as these build up, a better grade of livestock should be raised and a better price obtained by the farmer when sold.

GEORGIA—What is needed in our community more than anything else is long-term credit for farmers who, of necessity, must change over from row crops to livestock farming. Cotton farmers are making NO headway—in fact are losing ground, while those able to change over to livestock (pastures, fences, etc.) are making progress.

ILLINOIS—Farm operations in this area are still on a profitable basis and will probably continue to be so through the next year or two. The Korean situation has perhaps changed the picture in the last two weeks and created an abnormal demand for automobiles, tractors, and household appliances which are being sold mostly on a credit basis.

INDIANA—The farmers have tightened their belts considerably; they are doing more shopping and are very cost-conscious. Operating loans (short-term credit) were on the increase at a heavy rate until the recent advance in farm prices.

IOWA—Right or wrong, the advice of this bank at the present time is to buy nothing not currently needed. Of course, if the Government permanently is to follow deficit financing and encourage a high level of prices, we might look silly in giving such advice.

KANSAS—Sales of grazing land here are practically all cash transactions, as this is a favored medium of investment for non-resident landowners who want real estate that requires a minimum amount of management and will not blow or wash away.

KENTUCKY—The farmers are more alert to fixing up their farms. They are working for better water facilities by using bulldozers and building ponds, dredging branches, and securing as much bottom land as possible. They are clearing the land and interest is apparently growing in more and better grasses. There is less cultivation of hill land.

MARYLAND—The demand for farm credit is increasing noticeably. This increase is not alarming. Most of our farmers are tightening their belts, cutting down on purchases of extra equipment, and borrowing small amounts from banks.

MICHIGAN—Farm mortgage debt appears to be decreasing and as far as we can ascertain, is being well serviced. Farmers are, however, going in debt for farm equipment. This also is being serviced satisfactorily, but a slump in prices might cause embarrassment.

MINNESOTA—Banks have plenty of money to loan to good men and are not turning down good loans. The "bloom" is off the rose, so to speak, and belt-tightening is in order.

MISSISSIPPI—Farmers are meeting the declining prices by going more and more into diversified farming. More beef cattle are being raised now than ever before and many are going into dairying.

MISSOURI—Our land has not had the high prices we had after World War I. Our farmers have made lots of money out of their cattle, sheep, and dairy cows. Agriculture is in a very healthy condition—and we bankers have had much to do with holding down the price of land.

MONTANA—We think we can see better farming practices with more summer fallowing as time progresses.

NEBRASKA—Most of our cattle are marketed on the hoof and farmers who raise and feed cattle and hogs are making a much better progress financially than those who sell grain.

NEW YORK—The inefficient operators are finding it extremely difficult to operate. The good farm managers are making a special effort to restrict their operating costs. A very few are placing long-term real estate mortgages on their farms to pay for new equipment and farm improvements and to consolidate other debts.

NORTH CAROLINA—This county has a very well balanced and diversified agriculture consisting of dairying, beef cattle, apple orcharding, commercial truck farming, and general farming. The farmers seem to have a substantial backlog of cash and bonds, and the crop prospects for this season are bright.

OHIO—Probably 35 to 40 percent of our farmers are debt-free. They have built up their inventory of stock and tools, and have savings of considerable extent. This group is not in the market for credit. It is meeting declining prices by cutting expenses. About 25 to 30 percent of our farmers have high fixed payments for land, machinery, and stock. They are probably the less efficient operators and are having difficulty making income pay expenses. They would use considerable credit if it could be obtained.

OKLAHOMA—We are trying to advocate the maintenance of good equity in the farm and improvements. However, credit is fairly easy to get from governmental agencies at a low interest rate, and that encourages overspending more than any other factor.

OREGON—The situation within the past two weeks in Korea has prompted some to purchase additional machinery and equipment in fear of a potential cut in supply. This is not expected to be very great in this area.

PENNSYLVANIA—By greater diversification of crops, more efficient operating methods, and more mechanization, emphasis is on reducing labor costs to a minimum. The farm mortgage debt is at an all-time low and the farmer's cash position is very good. Over-expansion has been avoided and debts have been kept on a very conservative basis.

SOUTH CAROLINA—Our farm picture has changed considerably—from cotton and corn to pasturing and cattle. This area has become industrialized (textiles) in the past 20 years. A great many people live on their farms and are employed in the local mills. Dairying is developing and beef cattle production is growing.

SOUTH DAKOTA—A number of Internal Revenue men have been here for some time checking farmers' returns and considerable money has been paid to care for additional income taxes.

TENNESSEE—We have developed many purebred herds of cattle to replace the crossbreeds or poor strains. The emphasis here is definitely on greater production per acre, or in the case of grazing—more grass, particularly that of high quality per acre.

TEXAS—Farm and ranch population has declined about 25 percent in the past 10 years. Farmers who depend on crop production alone are not getting ahead financially, but

those who also have a few cattle or sheep are progressing satisfactorily.

UTAH—The reduced price of butterfat, as the result of a surplus in this district during the summer, and the rigid requirements for grade "A" milk are taxing our dairymen. Some of our men are increasing their herds and others are attempting to produce cheaper feeds to meet the problem.

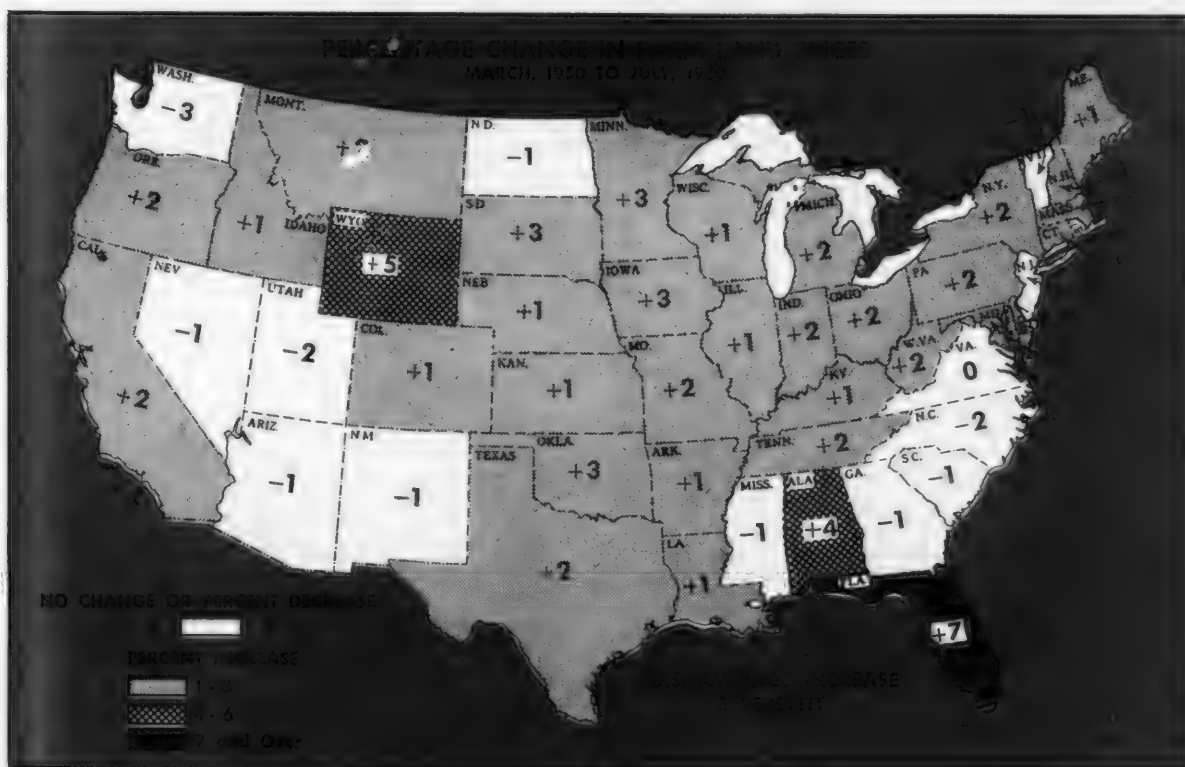
VIRGINIA—Many older conservative farmers have money in the bank and are out of debt. Although a number of the younger farmers are in debt, most are in a good liquid position. In some cases we feel that farmers are purchasing too much machinery.

WASHINGTON—Farmers here are meeting lower prices by increased efficiency. Irrigation sprinkling systems are being installed, there is more herd culling, pasture management is improving, and recently there has been a large increase in silos for grass silage.

WEST VIRGINIA—Most of our farm income is from the sale of cattle, grass-fattened, and the price is good. Farms on hard roads move well; farms on dirt roads move slowly. Very few farms are changing hands. Very few tenant farmers.

WISCONSIN—Farm product prices are lower and I think the larger part of the difference is being met by farmers curbing their buying and trying to step up production. We have a large demand for loans, but I think the average farmer is very cautious about going into debt if he can't see his way out.

WYOMING—More land is going into pasture with the stocking of cattle (small sheep operations are rare) and a few are supporting declining incomes with milk production. More farmers want to go into the dairy business locally as the need for additional milk supplies becomes apparent.



Letter Improvement Programs and Aids

W. P. de MILLE

The author is assistant director of training, First National Bank of Boston. The five earlier instalments of this series appeared in the February, April, May, June, and August (1950) issues of BANKING.

WRITING effective letters consistently and without waste of time and effort is an art. It calls for technical competence, imagination, persuasiveness, and command of ideas. The development of this technical competence—sure and resourceful mastery of tricky processes and special skills—must be the main concern of anyone who realistically sets out to improve or perfect his letters.

There is no reason for anyone to think that this will be any easier than, say, to develop a good game of golf or to learn to play the piano entertainingly. In either case, you would surely expect to have to do three things: (1) Study the underlying principles and objectives; (2) find out exactly what kinds of mental and physical coordination it takes to apply those principles to reach those objectives; (3) practice constantly, while you try to note and correct any faults that may crop up, till your technique is perfect.

Now in any one or all three of these steps, you have two methods open to you. One is self-teaching—making your own study of the fundamentals and working out your own ways of developing coordination and skill. The other is professional training—calling on a specialist to work with you, showing you the best way to do it and supervising your practice. These two methods can of course be combined in one or more of the three steps.

Another point about those three steps: they are usually not consecutive but concurrent. To get the most out of practice, we need to return at times to the fundamental aims and principles, and keep always in mind the integrated pattern of skilled action required to fulfill them. We cannot, so to speak, graduate from studying fundamentals to learning skills and then in turn pass on to practical experience. The three phases of mastering any art go on together continuously.

It is the same with improving our letters. In the first place, we must make some systematic effort to supplement and direct our daily practice by steadily broadening our understanding of fundamentals and increasing our knowledge of special skills required. This effort may involve self-training, professional instruction, or some combination of both. But unless we make it, we can never be sure some undetected error is not keeping us from doing out true best.

In the second place, the systematic effort must include study of fundamentals, as well as study of their application and constant practice. A letter-improvement program, (whether self-designed or professionally organized), cannot forget all about personality and concentrate on correct grammar or logical planning. Your practice must be devoted to letter qualities such as friendliness, clarity, and persuasiveness just as much as to readability, good opening paragraphs, or well-made sentences.

The suggestions, outlines, and materials listed below are based on the foregoing thoughts. They are intended to give practical help in your letter-improvement efforts, in the assumption that these efforts will have three goals: grasp of general principles, knowledge of required skills, and practice to master both. You will find self-training ideas, bank programs, some types of professional assistance, and a quick survey of some of the many available reference works and training aids.

Self-Training

1. *Check-List Your Letters.* It is often effective to draw up a short check-list of topics or questions, to remind yourself of points you think important. This can be used to prepare the letter you're about to write, or to review one just finished. Either way, if it's your own list, you'll probably find that after using it a while you'll form some valuable new habits and get more of the qualities you want into more of your letters.

For illustrative purposes, here is a possible check-list based on the first article in this series:

Purpose—What is the one definite result I want this letter to get?

You can do it alone, below, or in a study group, opposite . . .



Person—What are the interests and desires of the man I am writing to?

How will my purpose look to him?

Plan—What is the best way I can find to begin?

Will this lead quickly and easily to my main point and be favorable to my reader?

How can I close most effectively?

Point—What is the most direct and pleasant way to say what I need to say?

Will my reader understand specialized or technical terms?

Are there any facts involved that he does not know?

Here is another form of check-list, using some of the subjects treated in other articles. With some adaptation, it might prove useful to you. (Better still, though, work out your own list: the very act of doing this will sharpen your consciousness of what makes a good letter.)

Beginning—(Is it direct and free from "warm-up" phrases or too much detailed reference?)

Positive Outlook—(Is my approach friendly, constructive, and helpful? Does the letter reflect my real interest in the reader?)

Simple, readable style—(Do I sound like a normal, natural human being? Is my language hackneyed, old-fashioned, or stuffily formal?)

Wordiness—(Have I rambled or taken too long to say what I meant? Could I shorten the letter without damaging it?)

Ending—(Is it specific and sincere? Does it make the situation easy and favorable to the reader, so far as facts permit?)

2. *Keep a Reference File.* Another useful device is a reference file in which you collect sample letters, phrase-lists, special articles on letter-writing, and so on. Once you start looking for this sort of material, you'll be surprised to find how much of it is published in banking and business journals. (For example, the June Monthly Letter of the Royal Bank of Canada, Montreal, consisted of an excellent four-page discussion, "On Writing A Letter.") And if you collect samples of your own work, too, your file will be even more valuable. Jot down striking phrases (good or bad) from your own or incoming letters; develop a few model letters for situations you have to cover by letter frequently; make a note of any special-purpose phrases—beginning, explaining charges, asking for action, etc.—so they'll be ready when you need them.



A file of this kind works for you in two ways. It keeps jogging you to remember that there is far more to writing a good letter than just dictation and typing. And its contents will help you develop discrimination and resourcefulness.

3. *Read, Study, Compare, and Practice.* To improve your letters, you must first have standards. To keep on improving, those standards should be high to begin with and get higher as you progress. Therefore, the more regular reading and comparing you do in the general field of business writing, and the more kinds of writing you try to do, the more certain you are to know quality when you see it.

Besides some of the books or pamphlets listed below, get hold of copies of letters written in your own bank by men with a reputation for good letters. Study these closely, and try your hand occasionally at writing your own letter to cover the same situation. Take a crack at problems met in your day's work, translated into letter form from counter or telephone experience. And rewrite one or two actual letters a week, or write an occasional difficult letter two different ways. All this experimenting will in time give you a set of standards to go by; and your interest in turning out the best possible letter will be quickened and deepened as your own standards become harder to meet.

Bank Programs

In banks of moderate or large size, one or more of the methods listed below can be used effectively in letter improvement. All of them have been applied in various situations with good results, often in programs that included several of the elements described. Any one of them, however, may be counted on to accomplish the one result that, more than any other, is essential for letter improvement: letter-writers will become sharply conscious of what they are doing. This alone, because of the natural sense of routine we develop in familiar daily work, is half the battle. It is that sense of routine that accounts for most of the imperfection or weakness of bank letters; and any program a bank may use is pretty sure to dispel that sense and create a healthy letter-consciousness in its place. (A well-rounded and fully developed program, of course, will go far beyond that by directing and strengthening this consciousness so that routine-mindedness never comes back!)

1. *Development of a Manual.* This step, which most good-sized banks have already partially taken, is fairly simple, yet effective when fully utilized. In addition to the standard "forms for typists," and similar mechanical points usually covered, a letter-writing manual can be broadened in scope with excellent results. Well-thought-out letter-samples can be provided to give concrete guidance in effective ways of dealing with typical situations; lists of "good will" or successful expressions can be compiled, perhaps under general headings such as "Adjustment," "Apology," "Collection," and so on. Other letter-improvement aids, such as check-lists, words confused in meaning, or tips on letter-writing psychology, may be included.

Though outside professional help is of course valuable in preparing a full-scale manual for letter-writers, the final product will be infinitely more useful if the

(CONTINUED ON PAGE 136)



Let Him Manage It If He Earns It

MARION E. MATTSON

The author is assistant cashier of Northwestern National Bank of Minneapolis, is budget counselor for her bank, and a speaker on family money management.

THERE are in this country about 15,500,000 boys and girls between the ages of 13 and 19. They spend billions of dollars annually (or their families spend it for them) for food, clothing, education, and amusements.

That is why business is so keenly aware of this group as consumers and why so much of today's advertising is directed at their level.

A few years from now these teenage millions will be our bank customers; and the modern, aggressive bank is alert to this fact and never loses sight of it in its advertising and public relations work.

Twelve-year-old David lived in a small upper midwestern town. As a news carrier in 1947, he earned \$4.65 weekly. He had \$33 in bonds with the newspaper and \$150 in "F" Bonds, which he had been able to save while carrying papers. He spent 50 cents a week for shows or candy. His parents had felt he should have saved the balance. A

loafer coat and a small radio spelled luxuries to David which he felt his parents could not afford to give him. Because he was now earning his own money, he felt he wanted to use and handle it himself. He was anxious for a budget and sought the help of a banking institution offering a counseling service.

The counselor, realizing that what seemed to David a major problem, replied as follows:

"Dear David: Thank you for the information on your recent card. You certainly are to be commended for earning \$4.65 a week and for having such a splendid start on your savings. I don't know the financial circumstances of your parents. That, of course, might alter the picture; but, I believe, if you are earning your own money, you should also learn how to manage your money to spend wisely and for happiness when you are older. However, there are just a few things I would like you to keep in mind that your parents are doing for you and that take money from the family income. Your parents are providing you with your shelter—that is, the roof over your head and everything that goes under that roof for your comfort—as well

as the food you eat, the clothes you wear, the medical bills, etc.

"Because I am recommending that you manage your own money, don't feel that you should go on a spending spree in order to buy the things you want. The amount you are now spending for fun for a week is about right. By all means, continue a savings program, and probably for the present, it should be at least a dollar to a dollar and a half a week. You know, David, life is a matter of choices, so it will be up to you as to how you spend what you have left.

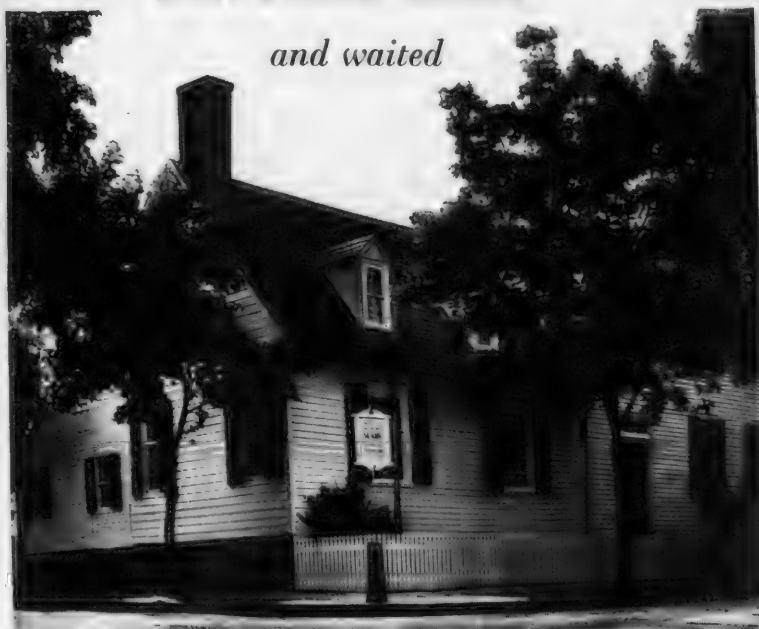
"A guide is enclosed which will give you some idea of the things people spend money for; and if I can be of any help to you later on, please write me."

Three years elapsed before the counselor heard again from David and the progress he had made in the interim. David, now 15, had managed his money during this period. In his own words far better than anyone else could tell, he told what he had accomplished and what this experience had done for him.

"During my first year of paper work, I bought a \$39 bicycle and
(CONTINUED ON PAGE 64)

THE LITTLE HOUSE IN FREDERICKSBURG

*where a mother watched
and waited*



The last farewell

GEORGE WASHINGTON would have joined the Royal Navy in his youth if his mother had not objected. She was not overjoyed when he became a soldier some years later but throughout his military career she bore herself with courage though she once expressed the fear that eventually the king would "catch George and hang him."

During the last years of her life Mary Ball Washington's home was a little house in Fredericksburg, Virginia, which George purchased in 1772. Despite her reluctance to leave the farm across the Rappahannock where she had lived since her husband's death, at Washington's urging she moved to Fredericksburg probably about 1774 when war threatened. Nearby lived her daughter Betty Lewis, mother of eleven children.

Whenever possible Washington came to see his mother but transportation difficulties and pressing military problems frequently prevented visits for long periods of time. Mary passed the anxious days visiting her daughter, driving to her old farm, spending hours in prayerful solitude on the rocky ledge now known as Meditation Rock.



Huge open fireplace in the brick-paved kitchen

Though the house and its visitors aroused much local excitement, Mary always kept her emotions under control and used to curb her daughter with the admonition that the sister of the commanding general should display faith and fortitude. Once when Washington's arrival was announced, she said calmly, "George is coming to see me. I shall need a clean white apron." Sometimes a messenger brought

tidings and the townspeople would hover near to hear the news. On one such occasion Mary tartly remarked, "Tell the gossips George sends me word that Cornwallis has surrendered."

One day Mary Washington was working in her garden when her grandson brought a distinguished visitor. It was the Marquis de Lafayette who had come especially to meet her. Laying down her garden tools, she received her illustrious guest with her usual poise and regaled him, according to legend, with the gingerbread for which she was famous.

Appearing publicly with his mother at the Peace Ball to which he escorted her, Washington expressed thanks to the people of Fredericksburg for their kindness to his "reverend mother by whose maternal hand (early deprived of a father) I was led from childhood."

After being elected President, Washington visited his mother for the last time and, kneeling, is said to have asked her blessing. She died five months later in August, 1789.

Mary Washington's home is now maintained by the Association for the Preservation of Virginia Antiquities in lasting tribute to a great mother.

* * *

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you can **BUY** or **RENT**

Here is important news for the many thousands of banks now using Recordak microfilming equipment... and for all banks who may consider installing it—

Now, as an alternative to its established rental plan, Recordak announces an attractive purchase plan for banks desiring outright ownership of Recordak microfilming equipment.

If you are now renting Recordak microfilming equipment and wish to buy it . . . you will receive a credit allowance equal to $\frac{1}{2}$ the present monthly rental charge for each month of the installation period—*up to a maximum of 36 months.**

Thus, you'll be able to buy, at surprisingly low cost, the equipment that has already proved its worth in your bank. And you'll get—from date of purchase—two years of free service, including parts replacement if necessary.

If you are now renting Recordak microfilming equipment and wish to continue doing so, the popular rental plan with which you are familiar remains unchanged! Your low monthly rental charge includes servicing, and parts replacement if necessary.

However, should you, in the future, decide to buy your present equipment you will receive credit allowances as cited above.



Consult your local Recordak Representative soon!

If you now have Recordak equipment he will compute your credit allowance . . . give you full details on the new purchase plan.

If you do not have Recordak microfilming equipment as yet, he will show you the low cost of bringing its advantages to your bank with either the rental or purchase plan. Recordak Corporation (*Subsidiary of Eastman Kodak Company*), 350 Madison Avenue, New York 17, N. Y.

*Credit allowed only on Recordak microfilming equipment installed prior to August 1, 1950.

RECORDAK

(Subsidiary of Eastman Kodak Company)

originator of modern microfilming — and its application to banking systems.

"Recordak" is a trade-mark

Recordak Microfilming Equipment



(CONTINUED FROM PAGE 60)

when I quit my paper route in June 1948, I bought a new \$60 bicycle with \$40 of my savings and the old bike. I also bought a portable radio and received as a birthday present a much wanted loafer coat. During 1948, I started a school band and purchased a trombone, paying \$25 and my Dad paid the balance. This winter (1950) I exchanged for a better trombone and paid a difference of \$60 and Dad paid \$60.

"In June, 1949 I went to work in the drug store and accumulated quite a savings, but being an outdoor man, I hated to be 'cooped' up in that place, so when football practice started, I left the job. Apparently, I inherit this liking for the out-of-doors from my Dad. In his younger days, he had spent many years in Grand Marais, and his tales of adventure fill me with enthusiasm for the life of a 'courier du bois.' Also, I worked evenings for six months as an usher in the theatre.

"At present, I have \$210 in the bank and \$150 in Savings Bonds. My Dad sent in the \$25 registration fee and in June I shall leave for Valley Forge for the National Scout Jamboree. The trip will cost \$150 so that means, I will have only \$60 left in my savings account.

"My problem is to decide on my future occupation. I'm an average student, my Dad is a carpenter and landlord. Now, that I am not working steadily—do occasional jobs peddling bills—my Dad allows me a dollar a week to take care of my school needs. Of this amount, since January, I have saved of my own accord \$19.75 toward my expenses at Valley Forge.

"At first I neglected to save money. I wanted to carry it around with me and show it off to the kids. I went to the show and spent most of it so when I wanted to buy something extra that I needed I didn't have the money. So I decided I had better save my allowance. When I worked in the drugstore three-fourths of my money went into the bank. Of the part I had left, I spent half, and half I saved in a bill fold at home. After I started saving my spending money, it came easy. You did it almost without thinking. It was a great joy to see the money mounting up. After this, my saving money is a 'must.' I hope to go to college or a trade school when I finish here. I'm in second year high."

From this case history, it is plain to see that David was constantly trying to better what he had. It is evident that at the same time, he was having the guidance and counsel of his parents. In order for youngsters to be good consumers, it is important for parents to help them in their selections to get the most for the money spent. This young man by starting early in life to manage his own money will learn to avoid some of the pitfalls in which grown-ups sometimes find themselves. He already has come to realize that it isn't a question of more money but how well he manages what he has in order to get what he wants.



THE TELLER'S shoulders were shaking but she restrained the pent-up giggle until the customer had left her window. Then she told us the cause of her mirth. A lady, accompanied by her six-year-old daughter, had presented a check drawn on her husband's account, for cashing. The little girl watched the exchange of cash for the seemingly insignificant bit of white paper, then stamped her foot angrily and said in an accusing voice to her mother: "Mommie—you told me a big story!"



Flushing with embarrassment, the mother said, "Why, what do you mean, darling? Mommie didn't tell you any wrong story."

"Yes, you did—last night. When I asked you for a nickel for an ice cream cone, you said I couldn't have it, 'cause Daddy had to work awfully hard for the money he got, and we couldn't spend it for ice cream. And now all you have to do to get a whole lot of money is to write something on a little piece of paper and you can have all you want! And I want that ice cream cone right now!"

IT WAS her first pay-check. A schoolgirl of tender years, she had just completed the first week of her first job, in the Five-and-Ten, during the summer vacation. She proudly presented it to the teller who, after examining it, handed it back with the request that she endorse it. "O, I don't want to endorse it," said the girl, apparently panic-stricken. "But in order to cash a check you always have to endorse it," explained the teller. "But my father told me not to," declared the girl. "Are you sure that's what he told you?" asked the teller, incredulously. "Yes, he did. He told me never to endorse anything for anybody. One time he said he endorsed something for a man and



then he had to pay for it and it took him such a long time and cost lots of money. He told me never to endorse anything for anybody, and I'd never be sorry, like he was." It took some further A-B-C instruction before the young lady tremblingly signed her name on the back of the check and received her money.

BELLE S. HAMILTON

Learnin' for Ladies

The banks are giving increasing attention to the ladies—as customers, that is. The financial education of these distaff customers also is

coming in for thoughtful attention.

The Women's Finance Forum is not exactly a new development, but it is surely a growing development.

Take, as an example, the one to be held later this year by the Union & New Haven (Conn.) Trust Company.

This is no hit-or-miss enterprise. The bank some time ago started advertising that it would hold such a forum in the "Fall of 1950." Its ad solicited opinions from the ladies as to what subjects would be of greatest interest and value.

The announcement ad contained a coupon for a "poll on preferred subjects" and listed 10 suggestions, with space for other ideas. "Please check in order of preference, 1 to 10," the ad read. The subjects suggested by the bank: The American Economic System; Social Security and Similar Benefits; Trust Funds; Life Insurance; Wills; Household Financial Management; Taxes; Estate Planning; Investments; Home Ownership, Mortgages, and Real Estate.

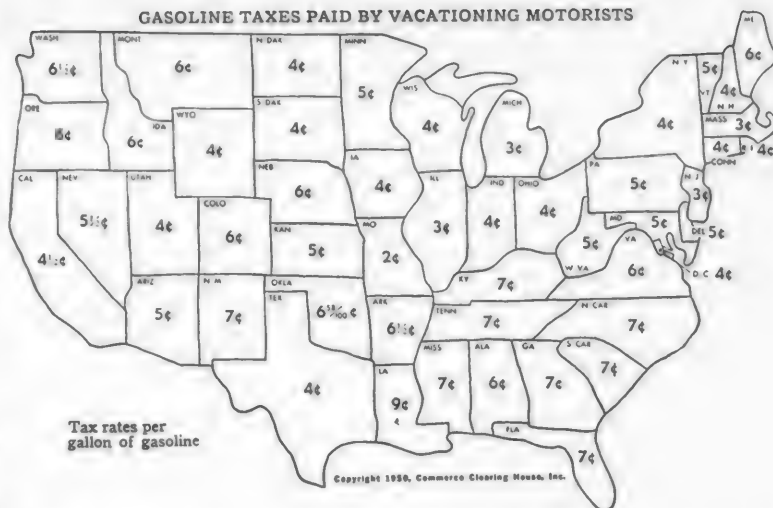
Women, says the bank, own most of the private wealth in this country, make up nearly half of the new customers for investments, have half of the checking accounts now in force, and "women mainly run the family finances."

In consideration of all this, the bank announces that "early next fall THE TRUST COMPANY will sponsor a Women's Finance Forum for women only. Eminent out-of-town speakers, authorities on a wide range of financial subjects, will be brought to New Haven to present a series of lectures especially designed to answer financial questions which more and more concern women today. Emphasis will be laid on providing practical information in simple, nontechnical language."

Baseball & Economics

The Foundation for Economic Education uses baseball statistics to explain how taxes and the decrease in the purchasing power of the dollar have affected earnings during the past few years.

Ted Williams, the Foundation notes, "receives an estimated \$125,000 this year compared with Babe Ruth's top salary of \$80,000 in 1931. But Ted's net after taxes will be \$62,028 in 1950 as against \$68,535 for Ruth in 1931.



"But Ted can buy only a little over half of what Ruth could buy because of the decline in the purchasing power of the dollar during

the past 20 years. To obtain the same buying power as Ruth, Ted would have to be paid no less than \$327,451."

Consumer Credit Digest

Questions Asked—Answers Supplied

THE First National Bank of Chicago several months ago held a Conference of Bank Correspondents. In one of the meetings, devoted to "Managing a Country Bank," consumer credit came in for some thoughtful study.

F. W. Zabel, vice-president of the Merchants National Bank, Aurora, Illinois, asked a number of very pertinent questions and developed some equally pertinent answers.

A good sample from those questions and answers follows:

Q—What are some of the cardinal principles to observe in making unsecured instalment credit loans to the average person?

A—Ability to pay; character; credit record; indebtedness; length of time on job and at local residence.

Q—How should you determine the

maximum unsecured loan to the average person?

A—For average wage earner and lower salaried employee, an amount roughly equal to one month's salary or slightly over.

Q—How should you determine the maximum monthly payment which the above applicant will be able to sustain?

A—Payment on loan should not exceed 7 to 10 percent of earnings, varying account of expenses, dependents, etc.

Q—Should you hold back reserves on appliance loans brought to you by the dealer, and to what extent?

A—No. If a dealer's paper is of such caliber that a reserve is necessary, it would be best to omit handling his paper.

Q—What household appliance loans are considered more hazardous than others?

A—Depending upon the individual credit, the items other than durable necessities are the risky ones.

Q—If you extend floor planning to an appliance dealer, how often do you recommend a check up?

A—Approximately once every three or four weeks with the average reliable, stable dealer. Once a

week, or more often, with a shaky dealer.

Q—How should repossessed appliances be handled?

A—Returned to selling dealer for resale. The bank should not be competing in the selling field with its own dealers. (Manufacturers and distributors also repurchase.)

Q—How long should a car loan be delinquent before the car is repossessed?

A—When you no longer have customer's cooperation. This could be anything from a few days on one payment, to almost three payments delinquent. The average would probably be two payments.

Q—How should a repossessed car be disposed of?

A—Through selling dealer whenever possible. Through good used car lots, and sometimes straight retail from bank.

Q—Do you recommend direct, indirect, or both on all new and used car loans?

A—Both—definitely. You cannot serve your community without doing so.

Q—On new and used car loans sent to you by the dealer, do you recommend that a reserve or cut back be given the dealer?

A—Yes. He originates, clears credit, sets up papers, and can give

you a sizable volume of paper and cooperate in other ways, and he deserves a reserve the same as any large volume purchaser in the market deserves special consideration and discounts.

No. 9: Michigan

Michigan is the ninth state to pass a comprehensive act regulating the instalment sales of motor vehicles. (The others are: California, Connecticut, Indiana, Maryland, New Jersey, Ohio, Pennsylvania, and Wisconsin.)

As in most similar legislation, Michigan's new law makes it mandatory for every instalment sales contract to be in writing and contain all agreements between the parties. Each contract must be complete as to all essential provisions and an exact signed copy must be delivered to the buyer when the contract is executed.

Finance charges are limited to \$6 per \$100 on new cars, \$9 on cars up to two years old, and \$12 on cars more than two years old.

Whenever all of the time balance is liquidated prior to maturity, the holder of the contract must rebate to the buyer the unearned portion of the finance charge.

The rebate may be made in cash or credited to the amount due on the

Choose your AUTO LOAN as carefully as you choose your car



Choose MARSHALL & ILSLEY
... for personal auto financing
that will fit your needs



This consumer credit ad from Chicago utilizes a good banking approach

buyer's obligation. If the amount to be rebated is less than \$15, no refund is required.

The bill limits kickbacks, prohibits the compounding of excessive interest rates, yet permits the lending of new money; provides regulations on insurance; requires notice to the buyer in case the car is repossessed; requires that repossessed cars be sold in the county where the contract was executed; and affords the buyer opportunity to protect himself against a deficiency judgment in event the car is seized and sold at an unreasonably low price.

It provides for an administrator with whom complaints can be filed, thus relieving the purchaser from going into court to protect his rights.

The State Banking Department will administer the act.

Voluntary Restraints

In Philadelphia, the banks have voluntarily adopted new credit regulations to tighten up on consumer credit purchases and halt speculative hoarding buying by both firms and individuals.

The action for Philadelphia was taken at a meeting of the Consumer Credit Committee of Group I of the Pennsylvania Bankers Association. It became effective August 7.

This type of action is not limited to one city. It is happening right now in many other sections of the country as well.

As this is written, it is not known exactly what is to be embodied in the new controls legislation. It is believed to contain no specific waiver of antitrust action against banks if they take group action to restrain inflationary lending. Federal officials, however, had made it known that they are anxious to encourage just such joint voluntary action at the local level.

To publicize its home improvement loans, the Western Savings Bank built this unusual before-and-after display at its main office building on a busy Buffalo corner



Logic



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"In servicing a residential community we welcome thrift accounts both large and small. Our main purpose is to provide a safe place for the savings of our neighbors in the communities we serve. Many of our accounts have had small beginnings... but have grown gradually and systematically into some of our most profitable accounts. We, of course, consider the careful administration of all our accounts as a part of our contribution to the financial welfare and stability of our community.

"The Christmas Club keeps our bank in closer personal contact with our community, broadening the value of our public services. And it brings into our bank regularly Christmas Club members who are logically potential customers for other services of our bank."

HERMAN L. PAPSDORF



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Taxes v. Real Welfare?

WILLIAM R. WHITE

The author is an attorney in New York City. In July BANKING he wrote on group permanent life insurance plans and disability benefit laws as they are affected by taxation.

ONE of the most striking developments in the lifetime of the American Bankers Association has been the growth of Federal taxation. There was no Federal income tax in 1875. Although the Civil War period had seen the enactment of an income tax as an emergency effort to raise wartime revenues, the statute involved had lapsed long before the American Bankers Association was organized.

No Federal estate or inheritance tax troubled testators in 1875. In the period of the War of 1812 a stamp tax was imposed in connection with transfers of legacies, but this was eliminated shortly after it was inaugurated.

Of course, local tax collectors were busy with property and excise taxes in 1875, but it was not until 1913 that the Federal income tax was established. Even then a tax burden of the weight carried by individuals and corporations today was undreamed of. In 1950, a large part of our working time is devoted to producing income for the insatiable appetite of national, state, county, city and district taxing agencies.

Favoring the Tax

A notable characteristic of the philosophy of modern day taxation (differentiating it from the philosophy of the property taxes of 1875), is the belief that a tax statute should receive a construction which favors the revenue, augmenting the amount collectible under it, rather than a construction which favors the taxpayer. In the epoch when the American Bankers Association was young, the usual approach was to construe the tax statute as applying only in situations clearly covered by the law, and exempting the taxpayer in all others. While some today pay lip service to the old philosophy, a realist must recognize

that the underlying assumption of most tax administrators is that tax statutes should be construed to augment the revenues. This unfortunate philosophy is sometimes carried to the extent of adopting constructions the reasonableness of which may be questioned.

Group Benefits Popular

The desire to assure collection of the largest amount of revenue by adopting that construction of a tax statute which favors the revenue is apparent in the recently adopted position of the Bureau of Internal Revenue with respect to Social Security Taxes on payments for group hospitalization insurance for employees. Hospitalization and medical plans are now quite popular and rapidly becoming more widespread. Employees welcome such plans as evidence of their employer's interest in their welfare, and employers regard them as morale builders.

Not only employees but their families and dependents may obtain protection under plans generally available. Often the employer pays the whole cost of providing such insurance for his employees' dependents although some employers restrict the insurance only to employees themselves or do not assume the cost. It is to the situation where the employer pays the entire cost of such insurance that the Bureau has recently turned its attention. In such situations its view is that the amount paid by the employer for premiums is additional "wages" to the employee as far as insurance protection is provided for the employees' dependents. (The amount paid for the insurance for the employee himself is not additional "wages.") Consequently under the Bureau's ruling, an employer should compute his employee's "wages" for social security tax purposes by adding to the amount of his regular wages the amount paid by him for hospitalization and medical insurance for the employee's dependents. To this amount the tax rates are applied to determine the correct tax liability.

This theory comes as a surprise

to employers. Not many of them have heretofore divided the premium paid by them for such insurance into the Bureau's two components (one representing the cost of the employee's protection, and the other the cost of his dependents' protection) nor have they added any amount to the employee's wages representing the cost of the dependents' protection when computing social security taxes. Moreover, many are questioning the ruling in view of the applicable tax statutes.

Sections 1426 and 1607 of the Internal Revenue Code define the term "wages" as that term is used in connection with social security taxes. In both these sections the term "wages" means

... all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include—

... (2) the amount of any payment made to or on behalf of any employee ... under a plan ... which makes provision for his employees generally or for a class or classes of his employees ... (including any amount paid by an employer for insurance ... on account of ... (c) medical and hospitalization expense in connection with sickness or accident disability ...

Under the foregoing statute, the Bureau suggests that a payment by the employer of the full cost of hospitalization for his employees' dependents is not a payment by the employer on account of medical and hospitalization expense in connection with sickness under a plan which makes provision for employees generally. Apparently the Bureau believes that because a plan provides for dependents of employees it does not come within the category of plans providing for employees generally.

One might well inquire why (if a hospitalization plan does provide for employees generally) it is considered to fall outside the statute merely because it also provides for dependents of the employees. On its face, the statute does not exclude plans which provide for dependents of employees so long as they also provide for the employees themselves. Moreover, payments by an employer for the employee's dependents may well be treated as payments on behalf of the employees because the employees will normally be obligated to provide medical

(CONTINUED ON PAGE 70)

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fleets of prime movers for the farm. For only Oliver offers a tractor with this combination of practical, *farm-utility* features: power take-off with independent clutch, torsional rubber spring seat, 6-cylinder engine, six forward speeds and "Hydra-lectric" controls.

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and hospital care for their dependents. Certainly it was the desire of Congress, in enacting the statute involved to encourage employers to establish hospitalization plans protecting the families of their employees. We all recognize that the basic unit of our society is the family, of which the employee is the head. Congress meant to encourage employers to pay for hospitalization not merely for their workers but for their families.

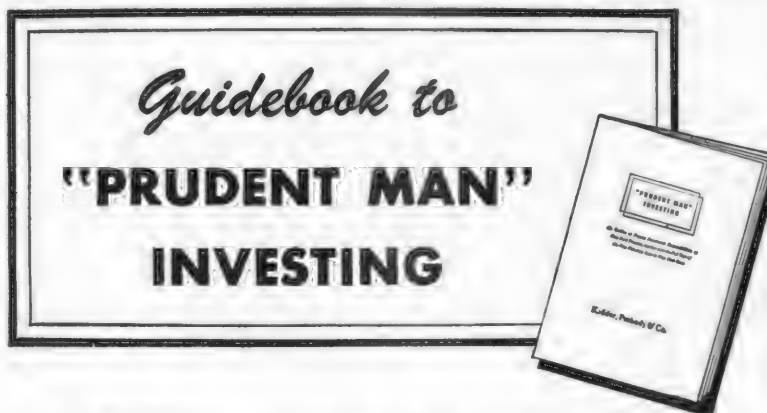
That there is a reasonable construction of the statute in question permitting the exemption of such payments emphasizes the Bureau's philosophy that a construction which will increase the revenue is to be preferred. It is not now argued that the Bureau's position is completely unreasonable but it is submitted that another position quite as reasonable as the Bureau's is more in accord with the intent of Congress and the fundamental principle of tax law that tax statutes are to be construed in favor

of the taxpayer. It is to be hoped that the Bureau will reconsider its thinking and reverse the view which now predominates. Meanwhile the tax departments of the country's employers should check their procedure to determine whether they are in accord with the Bureau's position.

Much the same philosophy motivates the Bureau's recently announced rules in connection with the social security taxes and income taxes on payments made by employers under disability benefit plans. Several states have laws requiring employers to provide for cash payments to employees when they are disabled and absent from work for non-occupational illness and accidents. (See *BANKING*, July 1950, page 44.) Under such disability benefit laws employees must, in the ordinary case, pay part of the cost of such insurance. The employer may deduct from his wages the amount payable by the employee. However, some employers prefer to pay the whole cost involved.

The tax treatment of payments by employers of the contribution that would ordinarily be required of employees under such laws has come to the fore within the past few months. The ruling of the Bureau of Internal Revenue states that where the employer pays the whole cost of such disability insurance and does not deduct from his employees' wages any amount representing the employees' contributions, the employees will be deemed to have received additional income to the extent that the employer has paid a contribution which he might have required his employees to pay. From this additional income, the employer must withhold income taxes. (I. T. 4010.) The Bureau has also ruled that such amount is additional "wages" for social security tax purposes. These rulings are held applicable even to situations, where an agreement between the employer and a union representing the employees provides that the employer will pay the whole cost of the disability insurance.

The view that payment by an employer of the whole cost of such disability insurance must involve income to the employee seems to be another example of construing the laws to support the revenue rather than in favor of the taxpayer. In New York, the Disability Benefits



"Prudence" a familiar word to trustees—has gained added emphasis in the New York law effective July 1, 1950, defining fiduciary investment powers. Wider opportunities for restricted trusts are now possible—providing investments are "prudent". With these new opportunities have come new responsibilities for the trustee.

We have prepared a 24-page guidebook which contains the full text of the new law and notes the important changes that have been made. It outlines some of the principles which we believe should govern the "prudent" selection of securities by trustees, including such considerations as:

- | | |
|-------------------------------|---|
| ✓ Full Investment Information | ✓ Portfolio Balance |
| ✓ Reasonable Income | ✓ Appropriateness to the Individual Trust |
| ✓ Long-Range Value | |

Trustees and other institutional investors may obtain copies of this interesting and helpful booklet by writing on their letterhead to the Manager of the Investors' Department.

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Law (which was involved in the ruling I. T. 4010 above mentioned) provides in Section 211.4 that where a plan is established as the result of collective bargaining between an employer and a union, the rights and obligations of all the participants in the plan are to be determined by consulting the particular plan involved. The same section of the New York law further provides that with respect to certain plans which were in existence on April 13, 1949, and have continued to the present time, the rights and obligations of the participants are also to be determined by consulting the plan.

One-Sided Obligation

With this in mind, it seems clear that, if such plans provide that the employer shall pay the whole cost, the plan does not place any obligation upon the employee to make any contribution at all.

When the employer pays the cost he is not assuming any obligation of his employees. Therefore the payment by the employer under such circumstances is not equivalent to conferring a financial benefit upon his employee (such as would be the case where the employer assumes an obligation that the law or the plan placed on his employee). Consequently, there is no room for the claim that the employee has received additional income or additional wages. The situation is one in which a philosophy favoring the taxpayer would result in a conclusion that the taxpayer has not received additional income. When, however, one's philosophy calls for the adoption of an interpretation that will augment the revenue it leads to the position taken by the Bureau.

Possibly, as the economy of the world becomes more tightly organized, and as English Socialism and the State Capitalism of the Continent and Latin America develop, the tendency in the United States toward increasing government controls will grow. Along with that comes inevitably an increase in cost of government. A philosophy which seeks to augment the revenue is in line with such a tendency. However, it is regrettable that administrative agencies should adopt such a philosophy when the presently existing rules of law call for favoring the taxpayer.

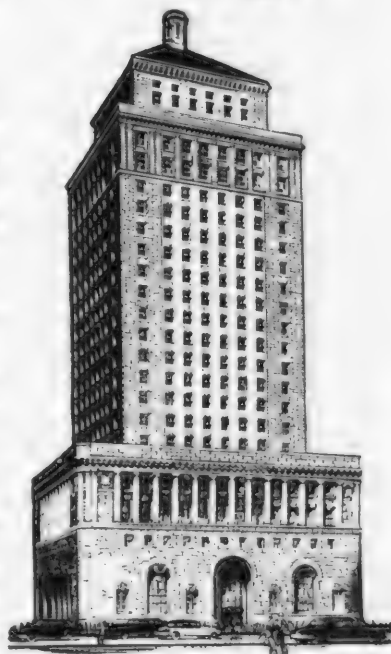


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A view of The Royal Bank of Canada building in the heart of Montreal's financial district. Taken from Mount Royal.

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The Lawyer's Role

EARL S. MacNEILL

Mr. MACNEILL, who writes each month for BANKING on trust matters, is a vice-president of the Irving Trust Company, New York.

THE space allowed to this oversized "column" is a page—more or less; so the device which lawyers call "incorporation by reference" must be utilized. The reader's attention is called to an article in the July issue of *Trusts and Estates* entitled "Attorney, Trustman and Underwriter in Estate Planning." It summarizes a forum discussion held under the auspices of the Hartford Chapter of the American Society of Chartered Life Underwriters. Speakers were Basil S. Collins, vice-president of the Old Colony Trust Company, John J. Kellam, general manager of the National Life of Vermont, and Edwin M. Otterbourg, New York lawyer and chairman of the American Bar Association's Committee on Cooperation with Life Underwriters.

What Is the Practice of Law?

The discussion covered a wide range, and it's all worth reading; here we isolate a section of it. There was variance of opinion as to what constitutes the practice of law. It is a question that plagues every trust officer. Often he is himself a lawyer, and, because of his specialization, well qualified to discuss the legal aspects of estate planning. Yet, in dealing with the bank customer who is a prospect for trust service, the trust officer cannot usurp the practicing lawyer's proper privilege of interpreting the law's application to his client's affairs. He must draw a line, and stay within it.

The line is a fine one, in Mr. Otterbourg's opinion: "If the life underwriter or trust officer gets himself in a position where he . . . gives advice as to various legal arrangements which will have this or that effect upon the man's estate or his beneficiaries, or that, if he arranges his affairs one way as distinguished from another, the probable tax consequences will be this or that, all such advice will in my opinion come into the field of unauthorized practice of law."

Mr. Otterbourg then described what may be regarded as an ideal interview. Whether the *entrepreneur* be a life underwriter or a trust officer, certain basic facts should be marshalled at the beginning: the names, addresses and relationship of those to benefit; the amount and nature of property; data as to life insurance and jointly owned property; facts and plans about business interests; amount and nature of debts. The interviewer may ask what the prospect's general ideas are as to the disposition of his property; a "family tree" may be drawn and a balance sheet of the prospect's estate.

At this point it would be proper, says Mr. Otterbourg, for a trust officer to explain the services that his institution offers and the trust department's policies

relating to investments. A life underwriter might explain the various kinds of insurance that his company sells and the variety of settlement options that can be arranged. But the prospect should be told that, if he is interested in going ahead with the matter, his lawyer should sit in on the further discussions. If the prospect refuses to go to a lawyer, the trust officer can go no further. As for the life underwriter, whether to sell a policy to his prospect is a matter for his conscience; it would be fraud if in so doing he gave the impression that an insurance policy was a complete estate plan.

Describing a typical collaboration between trustman and life underwriter, Mr. Collins says: "Usually the result of such a conference (participated in by the prospect, the trust officer and the underwriter) is the writing of a letter of suggestions, which contains the tax problems involved, how they may be minimized through the use of trusts and gifts, and the resulting advantages to the prospect and his family—with emphasis on the human aspect of the plan. . . . The letter further should suggest that the prospect consult his attorney and offer his and the life underwriter's services at the first conference between the prospect and his lawyer in order that the essential points in the letter may be explained fully to the lawyer."

Mr. Collins recognized that it is the special province of the lawyer to draw wills, trust instruments and probate papers; he added the functions of examining the analysis that the trust officer and life underwriter have prepared and giving his advice as to its proposals.

Mr. Kellam emphasized the role of the life underwriter as a salesman of estate planning. "While the client has every opportunity to consult with his trust officer, and/or his attorney, usually we have found that, until he has been specifically shown by the calculation of estate taxes, or other specific ideas, what a plan means to him in terms of attaining his objectives, he is not willing to consult his attorney or trust officer."

There is a common denominator in the statements of the three truly expert and eminent authorities; it has to do with taxes. Does the computation of possible tax costs constitute the practice of law? Is it giving legal advice to suggest means of minimizing these costs? Mr. Otterbourg would appear to say "Yes" on both counts—certainly on the second. But Mr. Kellam regards tax computation as a useful—virtually an indispensable—tool in selling. Mr. Collins considers both as matters for collaborative action by the underwriter and trust officer, with the lawyer as a kind of arbiter. Who is right?

The answer may be that all are, to a degree. So long as all three recognize their own and each other's limitations and special talents, and display goodwill and deference to each other no conflict should result.



Country Bankers . . . Community Builders

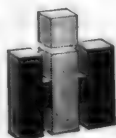
Progressive country bankers are the mainsprings of farm communities all over America. Many have employed agricultural experts to help their customers save precious topsoil . . . boost crop and livestock production . . . *and show a profit*. Others are demonstrating what can be done with new crops, scientific methods, modern power equipment, and good management on farms of their own.

These bankers know farming and farm problems firsthand. They've long since learned that tractors, combines, and similar machines make savings which in effect enable them to pay for themselves. They realize that this self-liquidation, together with a long life expectancy, makes farm equipment gilt-edged security. They have demonstrated time and again that more

power equipment and better methods are the keys to bigger profits and better living for their farmer customers—greater prosperity for the whole community.

No wonder, more and more country bankers are teaming up with IH dealers to help farmers with limited capital buy needed equipment with the Income Purchase Plan.

This plan splits the amount to be financed and earmarks, at the time of sale, future sources of income for repayment of the principal. It matches payments with regular income or seasonal marketing of crops and livestock. If you haven't done so already, it will pay you to discuss these and the many other advantages of the Income Purchase Plan with your local International Harvester dealer.



International Harvester Builds McCormick Farm Equipment and Farmall Tractors . . .
Motor Trucks . . . Crawler Tractors and Power Units . . . Refrigerators and Freezers

INTERNATIONAL HARVESTER

Chicago 1, Illinois



The Investment Market

Governments — Other Securities

Government Bonds

MURRAY OLYPHANT

MR. OLYPHANT, on the faculty of The Graduate School of Banking, is a Government bond and money market specialist.

IN 1875 there were about 3,500 banks instead of 1950's 14,500; money in circulation then was about \$736,000,000 instead of today's \$24,000,000,000; an interest bearing Government debt of about \$1,800,000,000 existed then instead of our \$255,000,000,000; the average interest rate on the debt was nearly 6 percent instead of 2.20 percent, as now; and 350 bankers gathered at Saratoga Springs then to organize the American Bankers Association, the 50th Anniversary Convention of which will be visited by several thousand late this month.

The money in circulation then consisted of \$376-million U. S. notes—payable in "legal tender" (in other words "greenbacks"), \$42-million of fractional currency and some \$318-million of national bank notes over-secured by about \$370-million of U. S. Government bonds deposited with the Treasury. Today we have \$22,700,000,000 Federal Reserve notes (also payable incidentally in "legal tender" but not regarded as "greenbacks"), and some \$4,250,000,000 of Treasury currency of various kinds. The total U. S. debt of \$2,232,000,000 in 1875 (including fractional currency and greenbacks) was \$500,000,000 below the Civil War peak in 1866 of nearly \$2,800,000,000. The results of the Panic of 1873 prevented the sale of any Government bonds with less than 5 percent interest until 1877.

A Bit of History

At the Saratoga Convention opinion differed as to the resumption of specie payments. Congress had passed a law in 1870 looking to resumption in 1879, but the South and West, fearing a contraction in circulation, offered a resolution postponing "resumption" until 1885. The resolution was defeated.

A reporter for the New York *Tribune*, with considerable foresight, thought that as a result of the convention "a permanent organization will doubtless be form-

ed and, with it as a nucleus, a powerful combination may eventually result which may properly influence national legislation and inform Secretaries of the Treasury as to the proper policies of dealing with banks and distributing the currency." With both the growth in and change in character of the banking system, the history of the American Bankers Association would seem to have borne out the forecast. The 75th Anniversary this year will again be considering questions relating to the relationship between the banking system and the financial needs of the Government; questions as to forms and types of taxation in relation to the maintenance of employment and a high national product; questions as to the renewed threat of the inflationary spiral; and questions as to what type of new Government financing can best produce funds needed to support a program of adequate preparation for any emergency.

The Market in July

The imminent threat of restrictive measures both in the field of housing construction and consumer credit apparently was effective during July in persuading managers of investment portfolios that once again there was a distinct probability that, after some months, larger holdings of Government bonds would be necessary to offset shrinking loan totals. Market demand was steady during the month. Such demand was offset in the case of the bank ineligible bonds by the constant week to week offerings of such issues by the Open Market Committee. Sales of \$646-million of these issues from June 28 to July 26 substantially exceeded those of earlier months and brought the total decline in such holdings since December 28, 1949, to almost \$2,250,000,000. Nevertheless, the price shrinkage for the month for the "Victory" 2½s was only 3/32, and there was every evidence, as the month ended, that no further decline was to be anticipated.

Demand for both the fully taxable and partly tax free bonds eligible for commercial bank purchase, and callable after five years, continued. Neither are presently subject to Open Market Committee operations. The

fully taxable 2¼s of 59/56 and 2½s of 58/56 gained about 10/32, while the "bank" 2½s recovered about ¾ to about 105¼.

The quotations for the partly tax free bonds gained from ¾s of a point to 30/32. These issues are scarce. Already largely in the hands of commercial banks, any buying orders are difficult to fill. With the prospect that corporate income taxes would be raised, it was very generally felt that vis-a-vis the fully taxable bonds the position of the partially tax free issues would not be impaired and might be improved. By the end of July, however, readjustment of "after tax" yields had progressed to a point which seemed to have fully discounted any probable tax advantage. Purchases at prevailing levels hardly seem warranted.

All of the bond operations of the Open Market Committee are effective only in the market for the ineligible issues. Eligible issues remaining in the "Fed" portfolio are not only too few to have any effect, even if sold, but are not being sold at all. As of April 30 there was a total of only \$281-million of eligible bonds—with a call date of five years or more—left in the holdings of the Federal Reserve and all Trust and Agency accounts. In the first four months of this year \$95-million had been sold. Nearly all of the remaining \$135-million of the "bank" 2½s were the property of the Old Age and Unemployment Trust Accounts. The market for eligible bonds is wholly on its own.

On December 31, 1946, there were 34 issues of bonds which commercial banks could buy. Today there are 21, and there will only be 18 by the end of the year. Nine of these issues are the remaining PTE's now selling to yield less than ever before and in very scarce supply. Recognizing the situation, commercial banks appeared to have been extending their maturities as much as possible. With the probable absence of any new eligible competitive issues, there is every reason to expect a further continuation of this tendency.

At the end of July a rise of \$343-million in loans to brokers to carry Governments brought the total of such loans in New York and Chicago to over \$1-billion, possibly evidence that dealer opinion of the future for market prices was optimistic. The so-called "recognized" dealers are prevented from making sharp increases in their positions because of the "Fed" requirement that such positions be disclosed daily, but "non-recognized" dealers and other brokers have no such deterrent. With no Government refinancing scheduled for August 1, the rise in this type of loan is worth comment.

Budget Results and Treasury Financing

For the month of July the budget deficit was \$1,132,000,000, about \$300-million less than last year. At the same time the balance in the general fund of the Treasury was slightly over \$4,500,000,000, about \$1-billion higher than a year ago. The Treasury is well heeled with cash to meet increased expenses for the next several months. That expenses will increase is unquestioned, but the increase may take some time to develop. Beginning on September 14 and running through October 26 (seven weeks), Treasury bills mature at the rate of \$1-billion each week. To raise this amount by \$100-million each week would bring all

weekly bill maturities to \$1,100,000,000. If this were done, no new offering for cash might be needed as part of the refinancing of the \$6,125,000,000 of 2 percent and 2½ percent bonds, and of the \$1,197,000,000 1⅞ percent certificates due on September 15, and of the \$6,250,000,000 1⅞ percent certificates due on October 1.

In due course, but probably not for some time, deficit financing would seem to require that a new and longer term ineligible 2½ percent bond be made available. Maturities of 20/25, 25/30, and even 30/35 years have been suggested. The purpose of such an issue would be to mop up funds available from other than bank sources, thereby reducing bank deposits, or, more correctly stated, not inflating bank deposits. Original subscriptions would reduce bank deposits but subsequent expenditures by the Treasury would tend again to replace these deposits. Currently no pool of uninvested funds exists.

Ineligible Bonds Sold

It is true that in the past seven months over \$2-billion of ineligible bonds have been taken from the Federal Reserve portfolio, but not only has the process been gradual but unquestionably has been accompanied by sales of eligible bonds to cover the cost of the purchases. Holdings of eligible Government bonds by savings banks, life insurance companies, fire, casualty and marine insurance companies, and all others declined over \$800-million in the first four of the past seven months. If continued for the past three months—and the rate of sales may have been increased—at least \$1,400,000,000 of the \$2-billion purchases of eligible bonds were paid for by the sale of eligible issues.

The point is that for the present there is not available any pool of uninvested funds to take up a new, sizable long term 2½ percent Government issue. Were such an issue to be offered currently, heavy subscriptions could be expected, but when payment was due sales of previously outstanding bond issues would probably be heavy enough, quite possibly, to necessitate their eventual purchase by the Open Market Committee to prevent too drastic a price decline.

Later on the anticipated restriction of building operations, stiffer terms for consumer credit and smaller offerings of new municipal and corporate issues might produce conditions which would be favorable to a sizable new offering. Funds should then be available. Until then, such an offering does not appear to be warranted.

Treasury Refunding

ON August 18, the Treasury announced that it would refund the maturing September 15 1⅞ percent certificates, together with the 2 percent and 2½ percent bonds, by issuing a 13-month 1¼ percent note maturing October 15, 1951. It also announced that it would refund the October 1 maturity of 1⅞ percent certificates with a 13-month 1¼ percent note maturing November 1, 1951. On the same date, the Federal Reserve Board announced an increase in the discount rate from 1½ percent to 1¾ percent, the first increase in this rate in more than two years.

The Construction Industry

H. EUGENE DICKHUTH

NEARLY everyone seems agreed that the demand for construction and building will remain very high indeed. The war in Korea has aggravated rather than alleviated the situation.

The postwar period saw an enormous modernization program by all types of industry more or less completed. This will serve well in any future emergency and in the present shift to a semi-war economy.

However, there remain demands for bringing up to date, construction-wise, former war plants which had been put in moth-balls, and to adjust buildings in accordance with the technological progress which has been made in the past decade.

Construction activity reached a new high in July. In that month, total building outlays reached \$2.6-billion which was 6 percent higher than in June and 25 percent greater than in July 1949. Fear of shortages of building materials and of governmental restrictions is stimulating activity at the present time.

In considering the construction industry as a whole, it should also not be overlooked that it is one of the main props of the national economy as a user of steel and many other industrial products and of manpower. It always enjoys the respectful attention of government,

both as an indicator of economic health in the nation and as a producer of local and Federal taxes. Every building which goes up or is modernized becomes a tax source.

Finally, there is the factor of increasing population, caused both by immigration and greater longevity, which creates a latent long-term demand for more housing in the United States. This is unlikely to be changed by war, unless many millions of people should perish at home, for war usually leads to the formation of many new families and an increase in the number of births—a phenomenon which has never been explained satisfactorily.

As a pattern, a breakdown of new construction activity in the first quarter of the year is noteworthy. Residential building accounted for about 54 percent of all construction activity in the country. Total new construction aggregated \$4,391-million, an increase of 18 percent from the corresponding 1949 figure. Of the total, private construction accounted for \$3,332-million which was 17 percent higher than in the first quarter of the preceding year. Public building absorbed \$1,059-million, up 21 percent over the year before. Residential building out of public funds amounted to \$68-million, a

rise of 162 percent, while privately financed residential construction, excluding farms, totaled \$1,800-million, an increase of 44 percent.

In more than one place, the construction industry has been referred to as the one which has been forgotten by capitalism. The main argument on that score is that billions of capital assets are being created by building with a ridiculously low amount of risk capital. Down payments, if any, are extraordinarily small and balances are being manipulated through long mortgages.

A very important factor in building remains manpower, since little, if any, mechanization has been introduced. Various attempts at applying the conveyor belt system to construction have been more or less unsuccessful up to this time, although some progress has been made in designing and constructing steel and prefabricated dwellings and other buildings. However, the periodic promises by prophets that construction, too, will follow the usual American mechanized pattern, have not been fulfilled.

Manpower, therefore, remains one of the key questions in that line. There has not been an overabundance of help in the industry since the end of World War II. In fact, the statement has been made on occasions that there would be a major collapse in building activity, if the men nearing 65 dropped out. The draft might stem some plans.

Leaders in the industry say there remains a vast need for modern urban dwellings and also for types of buildings which would serve the market for years, notably moderately priced multiple dwellings. But the industry has not been able to devise ways and means to put up modern rental housing at economic rates.

Partly, it is held, solution of these problems will require the cooperation of local governments, so far as taxes are concerned, the utilities and the financial community.

Despite all shortcomings, however, the general outlook for the industry is bright, indeed.

Other Securities

THE new issue markets have somewhat recovered from the initial war shock and with strong and rising equity markets, a semblance of optimism has returned.

The threat of returning excess profits and generally higher corporation taxes has led to considerable demand for all types of tax exempt securities. Inventories of dealers specializing in tax-exempt state and local government bonds are much less than half of what they were before the fighting broke out in Korea, as a result.

However, other inventories of new issues of corporate securities, undistributed on underwriters' shelves, exclusive of railroad equipment trust certificates, have increased appreciably.

Nearly all of the present expanded total is accounted for by bonds of investment quality utility company issues, including a bloc of the recently floated Columbia Gas System 3 percent debentures, but underwriters have little in the way of new stock issues on their shelves. The threat of inflation, as a result of the semi-war economy, has made for strong demands for equity securities, generally speaking.

Dependable Help . . . in a critical period

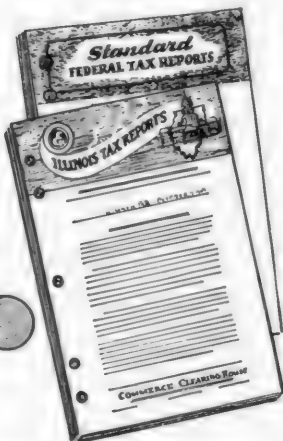
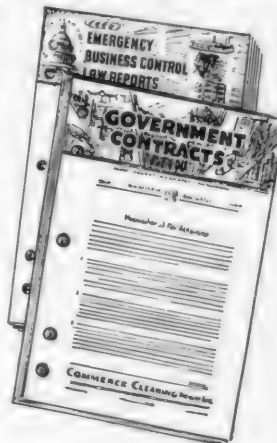
THIS is no time for half-measures, for temporizing and delays. Foresight and wisdom combine to urge that you prepare yourself now for what may come by way of emergency federal controls upon business and industry, upon manpower and materials, and by way of extraordinary requirements in federal and state taxation.

For our own part, we don't like reporting "war laws"—a field we have been effectively covering since the turbulent days of 1939. Yet, responsive to our obligations as a faithful reporter of business and tax laws, CCH stands ready again in 1950 to serve the specialized needs of Business and its advisors, come what may.

EMERGENCY BUSINESS CONTROL LAW REPORTS.—

Authoritative, dependable, experienced, stemming from CCH's pioneer War Law Reports established back in 1939 as World War II took shape, everything about the CCH Emergency Business Control Law Reports is designed to provide prompt, continuing facts and information on burgeoning federal controls upon manpower and materials in the critical period ahead. Flexible in plan, alert in attitude, sensitive to subscribers' wants, out of this one basic Reporter will grow all other special Reporters the special needs of the future may require in this field.

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STATE TAX REPORTS.—Emulating the swift pace of federal tax changes, state taxation, too, is slated to grow in importance and intensity. Here also CCH excels. For, 48 states and the District of Columbia are each individually covered by CCH's *State Tax Reports*, each state the subject of its own reporting unit. Swift, accurate, convenient, the informative regular issues of each unit provide everything important or helpful in the sound and effective handling of that state's corporate or individual taxes.

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BANK LAW NEWS

"... More Than 300 New Laws of Interest to Banking"

Even though 1950 is one of the "off-years" for state legislatures, those which did meet in regular or special session have so far enacted more than 300 new laws of interest to banking. The provisions of the more important of them are summarized below. Further information on new laws or legislative matters pertaining to banking may be requested from the Secretary of the A.B.A. Committee on State Legislation.

SIX more states enacted the A.B.A. recommended Deferred Posting Statute this year, bringing the total number of enactments of that statute to 40: District of Columbia—P.L. 669; Louisiana—No. 144; Massachusetts—c. 287; Mississippi—H.B. 462; New York—c. 153; Virginia—c. 48. Five other states still have independent legislation while four states have no deferred posting legislation.

Mississippi became the twenty-eighth state to enact the Uniform Trust Receipts Act and amended its Check or Draft Without Funds Act to make it a felony to issue bad checks for \$25 or more and to increase the penalties for issuing them in any amount—H.B. 556, 161. Rhode Island amended its version of the same statute by reducing from \$1,000 to \$500 the fine for passing bad checks under \$100—S.B. 168.

New Jersey's Non-Member Bank Reserve Act was amended to reduce from 1/5 to 1/10 the portion of the reserve required to be kept in cash and to provide that banks shall be deemed to have complied with reserve requirements if their daily available funds averaged over specified semi-monthly periods are at least equal to the minimum requirements—c. 122.

An amendment to Louisiana's Time Limit on Stop Payment Act

provides that a bank which inadvertently pays a check on which a stop payment order has been placed shall be subrogated to the rights of the payee, endorsers and drawer—No. 145.

Trust Laws Enacted

Four important new trust laws were enacted. New York adopted a modified prudent-man rule investment statute—c. 464. Mississippi authorized its banks to establish and use common trust funds—H.B. 461. New Jersey authorized the appointment of nominees by foreign banks authorized to act as fiduciaries in New Jersey—c. 312. Rhode Island adopted a statute combining provisions of the uniform acts for arbitration and compromise of death taxes when domicile is in dispute—S.B. 241.

There was only one change in five-day bank week legislation. Louisiana made Saturday a holiday in the city of Baton Rouge as well as in Orleans Parish, and permitted the governing authorities of any other parish in the state to declare Saturday a holiday therein—Nos. 96, 98.

Virginia's assignments of accounts receivable law now covers payments by debtors without notice of assignment to creditors or persons claiming through or on behalf of any of them in good faith—c. 547.

Few of the new tax laws directly affected banks. In Massachusetts a temporary additional 1½ percent income tax on business corporations was re-enacted for 1951—c. 608. The measure affects banks in that the excise-income tax rate for banks in that state may not exceed the rate for corporations generally. The Massachusetts legislature also proposed a constitutional amendment to permit levying of a graduated income tax—H.B. 319.

A proposal to amend California's constitution to prohibit taxation of tangible and intangible personal property will be voted on at the November election. Under present law personal property of California banks is not taxed, but the excise-income tax on banks depends in part on the amount of personal property taxes paid by all other corporations.

Georgia's Senate voted to ask its House of Representatives to abolish ad valorem taxation for state purposes—S.R. 69. An amendment to Louisiana's constitution authorizing municipalities to increase their general ad valorem tax to 12 mills has been proposed—H.B. 421. A committee to study equalization of assessments of the ad valorem tax and report to the next legislature was appointed in Mississippi—H.C.R. 56. These three states levy general property taxes on bank shares.

Corporations organized to make production loans to farmers have been exempted from paying Louisiana's corporation franchise tax—No. 295. The average aggregate value of bank stocks held for more than five years may now be fully deducted from net worth in computing New Jersey's excise tax on financial institutions other than banks—c. 308. Virginia has subjected cooperatives to state and local taxation as merchants—c. 365.

Stock Transfer Tax

Massachusetts' stock transfer tax now applies to transfers of the right to receive shares and to sales or agreements to sell shares in business trusts, but does not apply to stock pledges to secure loans—c. 593. Transfers made to effectuate reorganization or adjustment plans under court decrees enforcing anti-trust laws are exempted from New York's stock transfer tax—c. 121.

Georgia's income tax law now

gives the same exemption to trust funds for the benefit of employees as is given under the federal law—H.B. 274. New Jersey has authorized directors and trustees to pay taxes, charges and fees imposed upon their corporations notwithstanding doubts they may have as to the validity of laws imposing them—c. 102. Kentucky, Louisiana and Maryland have provided for enforcement of the tax laws of other states on a reciprocal basis: Ky. H.B. 280; La.—No. 19; Md.—c. 2.

In Massachusetts the maximum term of savings bank instalment loans has been raised from 18 to 24 months—c. 365. New Jersey's revised bank instalment loan law provides a formula for determining the amount of interest deductible in advance, increases the maximum permissible loan from \$2,000 to \$2,500 net proceeds, permits delinquency charges, and in certain cases permits three-year rather than two-year loans—c. 311.

New York made permanent a law allowing banks purchasing instalment paper to charge up to 12 percent a year on unpaid balances and raised the minimum permissible charge under the law from \$5 to \$10—c. 586.

Auto Title Laws Passed

Two more motor vehicle certificate of title laws were enacted: Louisiana's new law provides for notation of liens on certificates of title—H.B. 1044. Rhode Island's does not, but does provide for a central motor number file—H.B. 909. Massachusetts' registrar of motor vehicles has authority to establish a system of identification numbers for vehicles—c. 443. Vehicle registration records will be preserved for three rather than seven years in Kentucky—H.B. 285.

Louisiana revised its chattel mortgage law and also provided that in the future its new certificate of title act rather than the regular chattel mortgage recording laws will govern recording of automobile liens—S.B. 233, 234; H.B. 64. Kentucky included aircraft in the statutory definition of "motor vehicle" for purposes of its mechanics lien law—S.B. 274. Mississippi increased the period of validity of chattel mortgages from 12 to 36 months—H.B. 646. Virginia enacted legislation to protect innocent owners and lienors of motor vehicles or other property forfeited

under the state's anti-gambling laws—c. 262, 265. Massachusetts increased the fee for filing certificates of discharge of factors liens from \$1 to \$3—c. 454.

Instalment Sale Law

Michigan has adopted a new motor vehicle instalment sale law. Administered by the state banking department the law applies to banks as well as finance companies and, among other things, regulates finance charges and kickbacks to dealers—S.B. 12X.

On the other hand, a new Massachusetts law requires instalment sales contracts to bear the legend, "The Finance Charges Provided Herein Are NOT Regulated By Law. They Are A Matter For Agreement Between The Parties."—c. 81. Another Massachusetts law is designed to prevent coercion of buyers of insurance on property securing loans or sold on the instalment plan—c. 520.

Connecticut's bank commissioner may permit private firms to maintain facilities for cashing state employees' salary checks in state buildings at the employees' expense—H.B. 39-XXXX.

Louisiana banks will not be liable for premature payment of post-dated checks not certified or accepted in writing, and any bank paying such

a check may return it to the last endorser—No. 143.

Mississippi banks may now pay checks until 30 days after a depositor's death and thereafter until notified of his death by his executor or administrator, while the amount of his funds which may be paid to his nearest relative without the necessity of administration was raised from \$300 to \$500—H.B. 125.

New Jersey banks are protected in paying out assets of an intestate depositor upon the affidavit of the surviving spouse that the value of the deceased's real and personal property does not exceed \$500, rather than \$200 as formerly provided—c. 125.

The contingency fund which New Jersey savings banks may accumulate before paying interest was reduced from 25 percent to 20 percent of deposits and, in the future, individual banks, rather than the legislature, will specify how long how much money must be on deposit in order to draw interest—c. 233.

Out-of-State Deposits

In Virginia town and county treasurers may deposit funds in out-of-state banks to meet obligations payable at places where such banks are located, and state depositories may deposit security bonds with the Federal Reserve Bank of Richmond

1950 Legislative Sessions

(as of August 1, 1950)

REGULAR ANNUAL SESSIONS were held in:

California	New Jersey
Georgia	New York
Maryland	Rhode Island
Massachusetts	South Carolina

REGULAR BIENNIAL SESSIONS were held in:

Kentucky	Mississippi
Louisiana	Virginia

SPECIAL SESSIONS were held in:

Alabama	Maine
Arizona	Maryland
California	New Hampshire
Connecticut	New Jersey
Idaho	South Dakota
Illinois	Texas
Louisiana	Washington

Wyoming

NOTE: Sessions of the California and Maryland legislatures are limited to budget, tax and emergency measures in even years. The Georgia legislature does not meet annually; its meeting in 1950 was a continuation of the regular biennial session of 1949.

AN OLD-TIMER IN CALIFORNIA 1875-1950

At age 75, Security-First National Bank is an old-timer in California—a state that this month observes its Centennial Admission Day.

But age—in all things—is relative.

At 75 and 100 years—respectively—Security-First National and California are both young, aggressive, growing.

Today, keeping pace with the state, Security is an organization of 131 Offices and Branches, extending from mid-California to the Mexican border, providing modern, complete banking service for industry and individuals—and correspondent service for banks in all sections of the United States and overseas.

If a Pacific Coast correspondent connection would be useful to your bank, we would appreciate the opportunity to serve you.

RESOURCES OVER 1½ BILLION DOLLARS

MANAGING COMMITTEE

George M. Wallace, Chairman
Chairman Board of Directors

James E. Shelton Chester A. Rude
President Chairman Executive Committee

L. W. Craig C. T. Wienke
Vice-President Vice-President

SECURITY-FIRST NATIONAL BANK

OF LOS ANGELES

Member Federal Deposit Insurance Corporation
Member Federal Reserve System



rather than with the state treasurer—c. 245, 528.

The number of monthly reports required of South Carolina depositories has been reduced: reports to the governor have been eliminated while the report to the comptroller general may be a copy of that to the state treasurer—S.B. 533. Copies of examination reports furnished to Massachusetts banks must be kept confidential and exhibited only with written approval of the bank commissioner—c. 428.

Photographic Evidence

Four more states permit the introduction in evidence of photographic copies of bank records, bringing the total number of such states to 26: Louisiana's new law applies specifically to copies of bank records and provides for their admission before the courts only; laws enacted by the Georgia and Virginia legislatures, and adopted by rule of the Supreme Court in South Dakota apply to business records generally and also provide for admission of photographic copies before administrative agencies: La., No. 146; Ga., H.B. 837; Va., c. 332; S.D. Code §36.1003.

Microfilm Law Amended

New Jersey amended its bank records microfilm law to make photographic copies admissible in evidence "in all places" rather than in the courts alone, and provided that public records may be destroyed if microfilm copies are preserved—c. 87, 195.

Annual meetings of New York bank stockholders may now be held at any time in January rather than on or before the third Wednesday—c. 130. New Jersey bank stockholders may meet any time in January rather than on the fourth Tuesday if the by-laws so provide—c. 46. Directors of Massachusetts banks may be elected at special stockholder's meetings called for that purpose—c. 93. Trustees of New York savings banks may receive reasonable compensation for attendance at meetings—c. 16.

Shortages of \$500 or more in Massachusetts banks must be reported to the bank commissioner and violations of laws dealing with fraud, embezzlement or misappropriation of funds must be reported to both the commissioner and the district attorney—c. 368.

New Jersey's law governing payment of pensions and retirement benefits by banks and savings banks has been revised—c. 288.

New York savings banks may now invest directly in FHA mortgages on property anywhere in the United States and the banking law definition of "mortgage" now includes deeds of trust—c. 645, 518.

New Jersey banks may now make FHA mortgage loans without restriction as to the location of the property—c. 247. The statutory definition of mortgage loans which they may make now includes purchases of whole or part interest in existing mortgages upon the fee or a leasehold of real property—c. 183. They may also purchase a part or whole interest in an existing mortgage subject to the restrictions which would apply to an equivalent original mortgage, lend up to \$10,000 upon the pledge of United States securities worth not less than 110 percent of the amount of the loan, and lend up to \$25,000, rather than \$16,000, on single family dwellings—c. 183, 164, 243.

New Jersey savings banks may invest in as well as make mortgage loans; dispose of part interests in loans; invest in mortgages, deeds of trust "or other securities of the character of mortgages" which are first liens upon the fee or a leasehold of property wherever located which is or will be fully insured or guaranteed by the United States or the state of New Jersey; make additional loans on property secured by existing mortgages up to the lesser of \$1,500 or 10 percent of appraised value, rather than \$1,000 or 10 percent of unpaid balance—c. 313.

Foreign Contracts

Foreign banks may contract with New Jersey banks and savings banks for whole or part interests in the latter's loans and mortgages and may acquire and deal in New Jersey property securing the loans—c. 97.

Any bank in Massachusetts may now make, acquire and service mortgage loans insured under Title I of the Bankhead-Jones Farm Tenant Act, as well as those insured by the FHA—c. 598.

Massachusetts savings banks may buy common stocks of certain national banks and trust companies, located anywhere in the United States, which meet specified require-

(CONTINUED ON PAGE 135)

THE NEWS OF BANKING- COVERED DAILY WITH COMPOUND INTEREST

Since its inception 75 years ago at Saratoga, New York State's famous spa, the American Bankers Association has been a constant source of news for The New York Times.

Naturally, the entire field of banking plays an important part in The New York Times daily coverage of business, financial and trade news.

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AFRICA, THE MIDDLE EAST AND LATIN AMERICA.

Identifying Savings Bond Owners

EDWARD F. BARTELT

The author's title in the Treasury Department is Fiscal Assistant Secretary in Charge of the Finances, Accounts, Public Debt, and Treasurer.

IT obviously is to the interest of all paying agents as well as to the Government to reduce to a minimum the loss and expense resulting from erroneous payments of Savings Bonds.

A trend toward an increase in erroneous payments was evident during the first several years of the paying agency program. That trend has now been reversed. It is the belief of the Treasury that further improvement in the situation can be brought about through constant alertness on the part of paying agents and their employees in the acceptance of identification documents from strangers wishing to cash bonds.

A study of the more common experiences in erroneous payment cases should aid in reducing the number of these cases and, correspondingly, the number of cases where the paying agents have to make reimbursement for losses.

The general view of the Treasury as to acceptable types of documents may be ascertained by a careful and continuing study of its instructions, and this study is urged upon all paying agents and their employees.

The Treasury continues to receive reports of cases in which social security cards and documents of a similarly unreliable character for identification purposes have been accepted. This fact and others covered herein suggest the need for paying agents to go over regularly with their employees the Treasury's confidential instructions of December 19, 1947, as to the types of documents which are or are not acceptable to establish identity.

It should be of continuous concern to all paying agents and their employees that adequate notations are made in all cases regarding the documents relied upon to establish identification of bond cashers. The Treasury desires that a reasonably

Nutshell Advice to Paying Agents

See that all employees review periodically the Treasury instructions on identification procedure.

Be sure that identification documents offered by strangers are acceptable types, are genuine and unaltered, and have been in force an adequate time.

Insist that adequate notations be made in all cases concerning identification documents.

Guard against use by forgers of new accounts to establish identification.

Make sure that personal identifiers really know the persons they identify.

complete and accurate record be kept of the identification practice used in each case for two reasons: (1) The maintenance of such records provides a sound basis whereby the Secretary of the Treasury may establish his compliance with the law in cases where he grants a paying agent relief from liability for a loss; (2) adequate notations establish leads for apprehending forgers and effecting recoveries and or convictions.

The Secretary, in the letter of December 19, 1947, already referred to, said:

The making of notations will dispense with the necessity on the part of paying agents for reliance merely on memory, which fades with the passage of time and handling of so many transactions. It will also give the Treasury Department reasonably tangible evidence pursuant to which it can better administer the laws governing losses incurred in connection with payments of savings bonds.

It is believed all paying agents should be on guard against the making of notations which plainly are inadequate. In this connection, the rather frequent use of the notation "D.L." might be cited, suggesting that a driver's license has been used.

When this notation is found in an instance of erroneous payment, the Treasury must ask: "Was it an

acceptable document?" Sometimes the answer depends on the state in which the license was issued. Frequently it is the rule of an agent that the notation "D.L." means the license was issued by the state in which the agent is located. This may serve to identify the state but, as has been observed in a few cases, if the notation is made automatically to cover all driver license presentations, trouble may be in store.

Another question the Treasury would want answered is: "When was the document issued?", and the simple notation "D.L." will not provide an answer. An adequate notation covering the use of a driver's license for identification should include the state and the date of its issue, and its serial number. And it must be borne in mind that in some states the rules governing the issue of drivers' licenses are such that the licenses cannot be said to have much, if any, value for identification purposes.

Similar close attention should be given to the value of other documents presented and to notations made regarding them. Thus, in reviewing an erroneous payment case involving presentation of a service man's discharge, the mere notation "discharge etc." is not adequate. The Treasury should know the form number and the date and place of issue, as well as the service branch and the service serial number of the person named in the discharge.

Accordingly, it will be seen that adequate notation of the presentation of acceptable identification is one readily available method a paying agent has for giving the Secretary of the Treasury tangible evidence that the agent is entitled to relief from liability under the law in a specific case.

Although it is worth repeating that notations should correctly identify the type of document used, show its issue date, and show its serial or other identifying number, it goes without saying that to help prevent actual losses to the Government a

(CONTINUED ON PAGE 84)

SAFE All assets adequately insured

UNSAFE No insurance — or under insured

In times past, when granting a loan or extending credit, bankers and credit executives had to be satisfied with evidence of then existing assets for security. As to the permanence of the assets against unpredictable loss from accidental causes, until the transaction was completed, they had to gamble.

Today, behind the whole structure of business enterprise stands the great bulwark of Capital Stock Insurance, an indispensable guarantor of our American Economy. Gone, the era of chance. Today a credit risk is not considered safe if the collateral assets are not adequately protected by insurance which would provide reimbursement, if necessary, to make good any disaster. Bankers and credit executives know that the ultimate financial stability which distinguishes safe from unsafe can in no other way be assured.

The Commercial Union-Ocean Group, renowned for its financial strength and sound underwriting, is one of the great Capital Stock insurance organizations with world-wide facilities. Its resources are ample to handle and safely insure the largest risks. It is noted for its prompt and just settlement of claims.

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The California Insurance Co. • The Palatine Insurance Co. Ltd.

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(CONTINUED FROM PAGE 82)

careful determination should be made that a document appears genuine, that it has not been altered, and that the descriptive data and signature on the document compare with that of the person presenting the bonds.

There have been instances where forgers obtained authentic documents and within a very short time after the effective date of the documents—sometimes the very same day—used these documents in cashing bonds, sometimes for large amounts. The majority of recently issued documents are, just for that reason, of questionable value for establishing a stranger's identity.

The Treasury records show that a somewhat frequent method of forgers is to open an account with a paying agent and use it as a basis for obtaining payment of stolen bonds. In the Treasury's confidential letter of December 19, 1947, paying agents were cautioned against this practice.

Some of the erroneous payment cases involving the new account procedure have been in amounts of several thousand dollars. Forgers have relied successfully on both sav-

ings and checking accounts, newly or recently established, for identification. In one instance a forger opened small accounts at several local banks almost simultaneously, with the name of one bank given to another as part of his identification. There was no confirmation by any of the banks of the meager data given by the forger, and he succeeded shortly afterwards in cashing bonds in large sums at each of the banks solely because he was a customer.

It is believed that neither good banking practice nor Treasury regulations governing paying agents justifies the acceptance of such a recently established account as identification for cashing bonds. This is particularly true when the new account is small and the amount of bonds is large. The majority of persons who legitimately possess bonds in large amounts have some banking or other financial or business connection where identification may be established readily beyond doubt.

The stated purpose for which the funds are to be used, regardless of how worthy, should have no bearing on the establishment of identity. There have been instances where a paying agent's sympathy for a forg-

er with a tale of woe led to erroneous payments—and losses.

One of the most difficult problems concerns the use of a "personal identifier," that is, where a customer or someone otherwise known to a paying agent identifies a stranger presenting a bond for payment as an owner named thereon.

The Treasury, as indicated in its instructions to paying agents, considers this to be one of the best identification methods, when it is carefully used. However, there have been such cases as merchants identifying persons known to them only by sight, and such an identification does not, of course, justify the payment of government funds.

Paying agents should make certain, by appropriate questioning, that the personal identifier has a sound basis for making his identification. In this connection, the Treasury's December 19, 1947, instructions are well worth rereading from time to time.

In dealing with questions concerning the granting of relief to a paying agent from liability for loss resulting from an erroneous bond payment, the Treasury does not desire to be "legalistic." It must, however, be in a position to justify to the Congress any such action it takes; the funds involved are public funds.

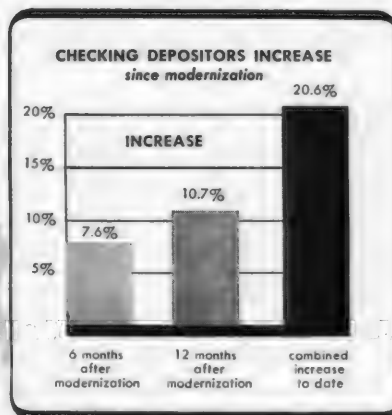
Insofar as the governing statutes give the Secretary of the Treasury latitude in deciding disputed points, a sincere effort has been made by the Treasury to preserve a fair attitude toward paying agents, whether large or small amounts of money were involved. It should be borne in mind that the Secretary does not have unlimited authority to grant paying agents relief from liability. The Secretary, even though he fully recognizes and appreciates the value thereof, cannot, for example, give consideration, in an erroneous payment case, to the fact that a paying agent has also given freely of its facilities in the sale of savings bonds or that the agent or the employee concerned has an otherwise perfect record in the payment of bonds.

On the basis of experience so far, it is believed that through close cooperation between the Treasury and financial institutions generally, still further lessening of the erroneous payment problem can be achieved.

Bankers in shirtsleeves tour the Metuchen, N. J., assembly plant of the Lincoln-Mercury Division of Ford Motor Company during the summer session of The Graduate School of Banking at nearby Rutgers University. A section of the visiting group of some 90 bank officers pauses at the end of the assembly line. The visit was planned to give the bankers a chance to see what a big manufacturing operation really looks like



how many **new customers** can be expected
after we design a
bank's new quarters?



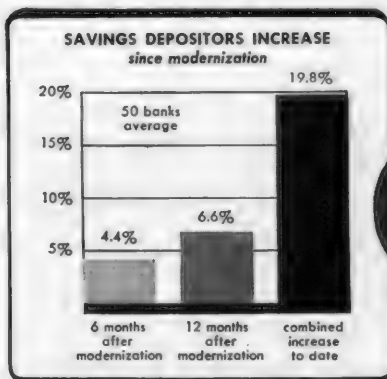
50 banks report checking-depositors

increases averaging 20.6%!

since we've completed their new quarters!

Our ability to create new banking quarters which actually help *attract* more customers is emphasized dramatically by an authentic report of 50 banks whose new quarters we've recently completed. These banks, when asked to give detailed information on business conditions before—and after—modernization, said that checking depositors increased an average of 7.6% six months after modernization, 10.7% after one year, 20.6% as of today! In addition, the number of *savings depositors* increased an average of 4.4% in the first six months, 6.6% after one year, 19.8% as of today! We are able to help increase your bank's business by translating its *specific* needs into a specialized type of architecture which improves operating efficiency, increases speed of service, appeals to your customers. If you insist upon these important assets, let us design your bank's new quarters. Write today. Get the facts.

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Other Organizations

THE annual meeting of the Conference of Presidents, Vice-presidents and Secretaries of the Central States Bankers Associations—known “for short” as the Central States Conference—was held this year at the Broadmoor Hotel, Colorado Springs, July 5-7.

This was the 39th of these annual meetings. The first ones were held under the title of the “Inter-State Protective Association,” whose members were the state associations of Minnesota, North Dakota, South Dakota, Wisconsin and Iowa. Now 16 states constitute the Conference—Arkansas, Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota and Wisconsin. Almost half the banks of the country are represented by the associations that make up the Conference.

The Conference was called to order by its president, Robert E. Lee Hill, secretary of the Missouri Bankers Association. Discussions, unlike those of 39 years ago, covered much more than protective problems, ranging from agricultural activities of banks to how to run a convention.

F. Raymond Peterson, president of the American Bankers Association and chairman of the board, First National Bank & Trust Com-



Some of the faculty members of the annual Carolinas Bankers Conference, which was held in mid-July at the University of North Carolina. Seated, left to right: Dean Henry A. Fenn, University of Florida Law School; Clarence D. Cowdery, vice-president, The Boatmen's National Bank, St. Louis, Mo.; Dr. Brantley Watson, vice-president, Federal Reserve Bank, Richmond; E. A. Wayne, vice-president, Federal Reserve Bank, Richmond; and Monroe Kimbrel, vice-president, First National Bank, Thomson, Georgia. Standing: Carlisle R. Davis, vice-president, State-Planters Bank and Trust Company, Richmond; Dwight L. Foley, vice-president, Albright National Bank, Kingwood, West Virginia; Gordon Christie, assistant vice-president, Bridgeport, Conn., People's Savings Bank; Gilbert T. Stephenson, Graduate School of Banking, Rutgers University, and Nicholas Jamba, vice-president and manager, Agricultural Department, National Bank and Trust Company, Norwich, New York

pany, Paterson, New Jersey, talked on “The A.B.A. and State Associations,” and Maple T. Harl, chairman, Federal Deposit Insurance Corporation, discussed “The FDIC and Your State Association.”

* * *

Problems created by the large increase in mortgage loans made dur-

ing the past decade in the internal operations of mortgage lending and investing institutions will be explored at a special conference to run concurrently with the annual convention of the Mortgage Bankers Association of America, September 27-29 in Detroit. More than 30 spe-

(CONTINUED ON PAGE 88)

Participants in the Central States Conference (see column 1)



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(CONTINUED FROM PAGE 86)
 cialists in accounting procedure, servicing methods and other internal operations will speak.

In addition, the association will sponsor its annual Exhibit of Building, Industry and Services, a national home show for those who finance and build homes.

* * *

The Arkansas Bankers Association, in conjunction with the School of Business Administration of the University of Arkansas, has just completed its seventh "Bankers

Seminar." The one week's short course covered economics, bank operations, credits, banking law and public relations.

* * *

To further its public relations program, the Florida Bankers Association has suggested to its members that they individually take nine steps that constitute a minimum public relations effort:

- (1) Center responsibility for public relations.
- (2) Join the Financial Public Relations Association.
- (3) Use the American Bankers Association's "New Public Relations Series."

- (4) Train personnel.
- (5) Maintain a friendly atmosphere.
- (6) Keep personnel happy.
- (7) Participate in civic affairs.
- (8) Work with schools.
- (9) Advertise weekly.

* * *

The tenth Virginia Bankers Conference of the Virginia Bankers Association will be held at the University of Virginia, Charlottesville, September 5-9. Two closely packed schedules have been set up—one for the commercial school and one for the trust school. A few subjects are common to both, such as "Human Relations in Banking" and "Business Economics."

* * *

Thirty clinic meetings throughout the state of Illinois will be devoted to the subject of public relations, methods of developing better customer relations, and a better understanding on the part of bank employees of the importance of banking to their communities. This is part of the program of the Illinois Bankers Association's committee on education and public relations, chairman of which is C. A. Hemminger, director of public relations of the American National Bank & Trust Company, Chicago.

* * *

Charles Z. Meyer, comptroller of the First National Bank of Chicago, is general chairman for the 19th annual meeting of the **Controllers Institute of America**, to be held September 17-20 in the Edgewater Beach Hotel, Chicago. Mr. Meyer is also serving as chairman of the executive committee for the event.

William M. Edens, assistant controller of the Continental Illinois National Bank & Trust Co., of Chicago, is chairman of the finance committee for the gathering, which will include a special industry conference of banking and investment controllers, headed by O. T. Jones, vice-president and controller of the American Trust Co., San Francisco.

* * *

The program for the Annual Convention of the **Association of Bank Women**, to be held at The Biltmore, New York, September 21-24, 1950, has been completed. Dr. John A. Krout, dean of the Graduate Faculties and associate provost, Columbia University, New York, will be the guest speaker at the banquet Saturday night, September 23.

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Other prominent convention speakers are Sylvia F. Porter, columnist and financial editor, *New York Post*, who will speak at the opening luncheon on Thursday, September 21, on the subject "Working Women of America"; and Elizabeth Harrison Walker, public relations consultant and formerly Secretary for the Committee on Economic Development, who has chosen as her subject "Women's Stake in a Free Society." Mrs. Walker will speak at the closing luncheon Sunday, September 24.

The United Nations will be featured on Friday afternoon, among speakers being Clark M. Eichelberger, director, American Association for the United Nations, and Byron Price, Assistant Secretary General of the United Nations.

One of the highlights of the convention will be the presentation of the Jean Arnot Reid Award. This award was established by the association in honor of a former president and founder and consists of an engrossed scroll and \$100 in cash. It is presented annually to one of the 10 women graduates of the American Institute of Banking who, in addition to having attained a high scholastic average, has demonstrated qualities of leadership, service and character. The award will be presented by Bernice D. Parks, assistant treasurer, The Provident Institution for Savings in the Town of Boston, who is president of the ABW. The guest speaker is Leroy Lewis, National Educational Director, American Institute of Bank-

ing, whose subject is "The Three P's Necessary for a Professional Career."

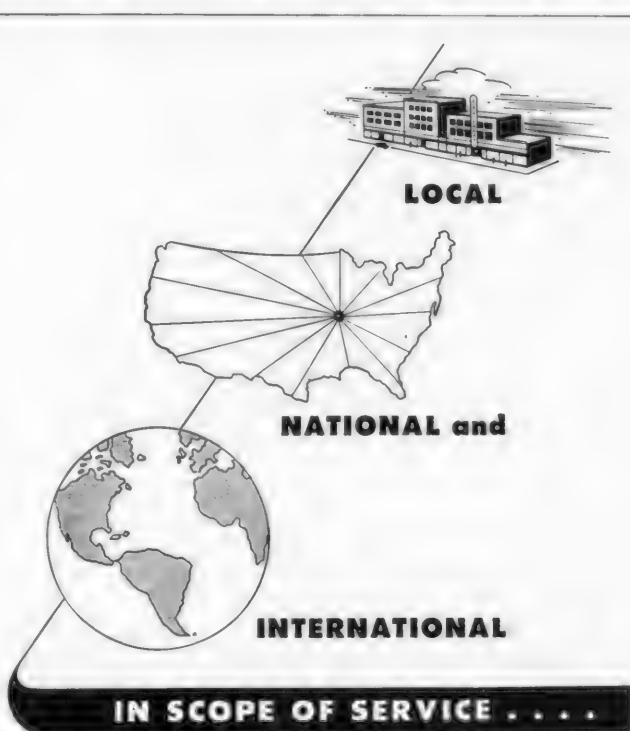
* * *

James D. Harrison, president of the First National Bank of Baltimore, has been elected president of the **Baltimore Clearing House**.

He succeeds Heyward E. Boyce, who died July 23 after more than 21 years' service with the clearinghouse as a member of its executive committee, as vice-president, and, since 1947, as president. At the time of his death he was chairman of the

board of the Maryland Trust Company. He was a past president of the Maryland Bankers Association (1929-30), a past president of the Reserve City Bankers Association, and a former member of the American Bankers Association Executive Council.

Two brothers of Mr. Boyce are also leaders in Baltimore banking—Charles Prevost Boyce, senior partner of Stein Brothers & Boyce, investment bankers, and Fred Grayson Boyce, Jr., president of the Mercantile Trust Company of Baltimore.



James D. Harrison
(See column 2)



The banking connections of Mercantile-Commerce cover not only the local scene, with an intimate knowledge of St. Louis and the Southwest, but extend to all large cities of the United States and principal foreign centers. Through this network of correspondent relationships, accurate credit, commercial and financial information is quickly available. Items and collections are handled efficiently, inquiries promptly and authoritatively answered.

In addition to the range and quality of our local connections, the extent of our national and international service has long been a feature of Mercantile-Commerce Service. Inquiries are invited.



MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

BANKING NEWS

4-H Thrift Program, Ag Production Loans Topics at Meetings

Short-Term Loan Manual in Works

A.B.A. Agricultural Commission leaders participated in two important meetings during August, one in Washington with officials of the U. S. Savings Bonds Division of the Treasury Department and of the Extension Service of the Agriculture Department, and another in Chicago.

The Washington meeting on August 21-22 was attended by A. G. Brown, deputy manager of the Agricultural Commission, and Edgar T. Savidge, Jr., Commission secretary. Coordination of the three-point National 4-H Thrift Program, to be launched this fall, was discussed at this meeting. The program will center around the theme: "Earn" while you learn; "Save" part of what you earn; and "Serve" your country by saving.

This project ties in with the Agricultural Commission's program of building farm financial reserves.

The Commission's Committee on Agricultural Lending Procedures, chaired by Jesse W. Tapp, vice-president Bank of America, San Francisco, met in Chicago on August 30-31 to review a draft of a new publication on agricultural production financing, a short-term procedural manual which will be published within a few months.

The Committee

Besides Messrs. Tapp, the other members of the committee are: Joe S. Armstrong, executive vice-president, Grove City National Bank, Grove City, Pa.; Joseph B. Crosby, president, First-Citizens Bank and Trust Company, Greencastle, Ind.; Nicholas A. Jamba, vice-president and manager, agricultural department, National Bank and Trust Company, Norwich, N. Y.; Ora G. Jones, Jr., executive vice-president, Goodhue County National Bank, Red Wing, Minn.; Giles H. Miller, Jr., president,



Addison Mallery, mayor of Saratoga Springs, N. Y., congratulates President F. Raymond Peterson on the illustrious 75-year history of the American Bankers Association, following the unveiling of the bronze plaque recently erected on the wall of the old Town Hall in Saratoga Springs where the Association was founded. For story see page 3 July BANKING

Diamond Anniversary Delegates Invited to Attend N. Y. Safe Deposit Dinner Session

The New York Safe Deposit Association has arranged a meeting of the association in the Century Room of the Hotel Commodore on September 27 at 6 P.M. for delegates to the A.B.A.'s Diamond Anniversary Convention.

In extending the invitation, President Thomas H. Coogan said that since many of the bankers attending the convention represent institutions

that are members of the safe deposit association and their only contacts with the association are through *The Safe Deposit Bulletin* this meeting was decided upon.

The NYSSDA meeting will start off with a 6 o'clock dinner (at \$5 per plate) and will offer its members the opportunity to obtain first-hand information on operating problems of the safe deposit business. All delegates to the convention are invited to this meeting. Reservations should be sent to the NYSSDA at 511 Fifth Avenue, New York 17. Humbert Fabbro, East River Savings Bank, is treasurer.

Culpeper National Bank, Culpeper, Va.; and Dr. Van B. Hart, professor of farm management, New York State College of Agriculture, Cornell University, Ithaca, N. Y., advisor.

Mr. Brown and Mr. Savidge also attended the Chicago meeting.

President Coogan is secretary-treasurer of the Bankers Safe Deposit Company in New York.

Brenton Withdraws From A.B.A. Vice- Presidential Race

Grave Conditions Reason for Action

W. Harold Brenton, president of the Brenton State Bank, Brenton, Iowa, who was nominated by the Iowa Bankers Association in October 1949 for the 1950-51 vice-presidency of the American Bankers Association, has withdrawn his candidacy.

The grave international situation was given by Mr. Brenton as the reason for his withdrawal. In a letter to J. F. Kennedy of New Hampton, Iowa, the president of the Iowa Bankers Association, Mr. Brenton said in part:

"In the face of our national picture with its grave problems, both domestic and international, and when there is no vital issue among the candidates, I cannot bring myself to believe that I am justified in continuing my candidacy this year when we are already over-pressured by the many potentials that these times have in store for us. I feel, and more so with each day's war news, that I can serve best this year by not being a party to further complexing the task of the American bankers in choosing a vice-president at their coming Convention.

"Therefore, I have come to the conclusion that I should withdraw now as a candidate for the A.B.A. vice-presidency at the coming A.B.A. convention in September 1950 and release all of my supporters in the states who have so kindly sponsored me. . . .

"Should the bankers of Iowa or of this country, at a proper period, ever need my services for a useful purpose, I would be willing to give of my time and energy.

"I deeply appreciate the confidence displayed in me by my friends in various other states, and my grateful thanks to you and to the other officers and members of the Iowa Bankers Association for the splendid support you have given to me."

NEW MEMBERS

Thirty-three banks in 16 states, the District of Columbia, and Puerto Rico became members of the American Bankers Association during June and July, as follows:

CALIFORNIA: First National Bank, Belmont*; Security Trust & Savings Bank of San Diego, Carlsbad Branch; and United States National Bank of San Diego, Pacific Beach Branch.

COLORADO: Metropolitan State Bank, Derby.*

CONNECTICUT: New London City National Bank, Niantic Branch.*

DISTRICT OF COLUMBIA: Bank of Commerce & Savings, Rhode Island Avenue Branch, Washington.

GEORGIA: Citizens Bank, Alma*; Union County Bank, Blairsville*; Gordon Bank, Gordon; and Saint Simons State Bank, St. Simons Island.*

IDAHO: Bank of North Idaho, Priest River.*

INDIANA: Community State Bank, Huntington*; Russiaville State Bank, Russiaville; and State Bank of Syracuse.

LOUISIANA: Bank of Morehouse, Bastrop.*

MISSOURI: Peoples Bank of Branson.*

NEBRASKA: Republican Valley Bank, Orleans; First National Bank, Stromburg; and Citizens National Bank, Wisner.

NEW YORK: Marine Trust Company of Buffalo, Batavia Office; Franklin National Bank of Franklin Square, Levittown Office*; New York Trust Company, Seventh Avenue Office, New York*; and Staten Island Savings Bank, New Dorp Branch, Staten Island.*

OHIO: Community National Bank, Flushing.

OREGON: Bank of Illinois Valley, Cave Junction.*

SOUTH CAROLINA: Anderson State Bank, Hemingway, and Liberty Bank, Liberty.

TENNESSEE: Hamilton National Bank, North Knoxville Branch, and Tennessee Valley Bank, Bearden Branch, Knoxville.

VIRGINIA: Bank of Charlotte County, Drakes Branch.*

WASHINGTON: Washington State Bank of Snoqualmie, Mercer Island Office*, and Washington Mutual Savings Bank, University Branch, Seattle.

PUERTO RICO: Government Development Bank for Puerto Rico, San Juan.

*Newly organized institutions.



V.J. ALEXANDER, Chairman, A.B.A. Supplemental Pension Fund Board of Trustees; President, Union Planters National Bank & Trust Co., Memphis, Tennessee
(See page 54 for other A.B.A. official family pictures.)

Foresee Bank Need of Two Forms for New Regulation W

In anticipation of the reimposition of Regulation W, the Consumer Credit Committee on July 31 mailed to all A.B.A. members copies of certain forms which will be needed by the banks.

"One of the general requirements of the regulation," according to the accompanying letter, "will be that no registrant shall make any instalment loans to purchase a listed article or shall make an unclassified instalment loan unless there is accepted in good faith a signed statement of the borrower as

MAILINGS

CONSUMER CREDIT: Letter and sample forms: statement of borrower and statement of changed conditions, as may be required by reimposition of Regulation W. To consumer credit departments and to state secretaries.

GENERAL CREDIT: Letter by President F. Raymond Peterson regarding "Necessity of Avoiding Inflation in Credit at Present Time." To A.B.A. membership and secretaries.

MORTGAGE LENDING: Bulletin describing new FHA and VA directives on mortgage lending procedure in conformity with President's policy of controlling inflation and conserving building materials needed for national defense. To mortgage officers, mutual savings banks, holders of revised "Summary of the National Housing Act and Servicemen's Readjustment Act," and state secretaries.

SCHOOL FILMS: Information on first two films in A.B.A. School Film Program series. To banks not now using films and to state secretaries.

to the purposes of the loan. Provisions may also require that a written statement of changed conditions be signed by an obligor who contemplates refinancing to avoid undue hardship."

CALENDAR

American Bankers Association

- Sept. 24-27 Diamond Anniversary Convention, New York, N. Y.
- Oct. 18-20 24th Western Regional Trust Conference, Los Angeles Biltmore, Los Angeles, Calif.
- Nov. 9-10 19th Mid-Continent Trust Conference, Statler Hotel, St. Louis, Mo.

State Associations

- Sept. 10-14 Tennessee Bankers Conference, University of Tennessee, Knoxville
- Sept. 13-16 Massachusetts Savings Banks, Hotel Wentworth-by-the-Sea, Portsmouth, N. H.
- Oct. 4-6 New York Savings Banks, Lake Placid Club, Lake Placid
- Oct. 9-11 West Virginia Study Conference, Jackson's Mill, West Virginia
- Oct. 11-12 Nebraska, Paxton Hotel, Omaha.
- Oct. 15-17 Kentucky, Brown Hotel, Louisville
- Oct. 16-17 Connecticut Savings Banks, Mountain View House, Whitefield, N. H.
- Oct. 22-25 Iowa, Des Moines
- Nov. 9-11 Arizona, Arizona Biltmore Hotel, Phoenix

Other Organizations

- Sept. 17-20 19th Annual Meeting of the Controllers Institute of America, Edgewater Beach Hotel, Chicago
- Sept. 17-22 Financial Public Relations Association, Hotel Statler, Boston, Mass.
- Sept. 20-22 Annual Convention of the National Association of Supervisors of State Banks, Hotel Copley Plaza, Boston, Mass.
- Sept. 21-24 Association of Bank Women, Annual Convention, Hotel Biltmore, New York
- Sept. 27-29 Mortgage Bankers Association of America, Annual Convention, Statler and Book-Cadillac Hotels, Detroit, Mich.
- Oct. 22-25 Consumer Bankers Association, Westchester Country Club, Rye, N. Y.
- Oct. 23-26 National Association of Bank Auditors & Comptrollers, Kansas City, Mo.
- Nov. 17-18 Western Secretaries Conference, Sun Valley, Idaho
- Dec. 3-5 Southern Secretaries Conference, Charleston, S. C.



The 1935 faculty and administrative staff of The Graduate School of Banking. Nine of the 15 members shown here are still associated with the G.S.B. *Front row, left to right, Richard W. Hill¹, John J. Driscoll², Harold Stonier (director), Adrian M. Massie, Dr. George W. Edwards², Willard E. Atkins, Austin W. Scott; back row, Walter Elder, O. Howard Wolfe², Gilbert T. Stephenson, Dr. Eugene E. Agger, Edward Stone², Norman C. Miller, James Brines, and George P. Barse²*

THE Graduate School of Banking anticipates that 1,000 bankers and faculty members will attend its 15th anniversary alumni reunion to be held in New York on Saturday, September 23, the day before the opening of the American Bankers Association's Diamond Convention.

Included in the attendance will be about 65 top bank executives who have not yet seen the school in operation who will accompany staff graduates to see for themselves what it is that creates the remarkable alma mater spirit that exists among the G.S.B. alumni.

The Program

The reunion program will consist of an economics panel discussion from 3 to 5 P. M.; a hospitality hour from 6 to 7 P. M.; and a dinner at 7, followed by an entertainment program. The panel will be composed of Willard E. Atkins, R. S. Alexander, A. Anton Friedrich, William A. Irwin, and Montfort Jones, all members of the G.S.B. faculty.

Dr. Harold Stonier, A.B.A. executive manager and G.S.B. director, will be the master of ceremonies at the dinner and W. Randolph Burgess, chairman, executive commit-

tee, The National City Bank of New York, will be the speaker.

The main feature of the entertainment program will be colored moving pictures, with sound, of The Graduate School of Banking activities on the Rutgers campus.

Joseph E. Hughes, president, County Trust Company, White Plains, New York, chairman of the Graduate School's board of regents and a member of the Class of 1937, will be in charge of the afternoon session. S. Allen Pippitt, vice-president, The Chase National Bank, New York, and member of the Class of 1944, will be in charge of the social hour. George O. Nodyne, vice-president, East River Savings Bank, New York, and member of the Class of 1941, will be in charge of the dinner.

Two Planning Committees

Two committees have been set up in charge of the G.S.B. reunion—a metropolitan New York and a national area committee. Louis C. Owen, Jr., vice-president, Bank of New York and Fifth Avenue Bank and member of the Class of 1943, is general chairman of the Fifteenth Anniversary Committee. Robert W. Sparks, first vice-president, Bowery Savings Bank, is chairman of the metropolitan group.

The other members of this group are:

William J. Anderson, Empire Trust Company, New York; Cowles Andrus, Peoples Bank & Trust Company, Passaic; John W. Arthur, Jr., Bank of New York and Fifth Avenue Bank, New York; Edward S. Atwater, III, Fidelity Union Trust Company, Newark; Clinton B. Axford, editor, American Banker, New York; J. Stewart Baker, Jr., Bank of the Manhattan Company, New York; Briant S. Cookman, City Bank Farmers Trust Company, New York.

Also, Fred K. Cordes, Bowery Savings Bank, New York; Andrew DeRitter, First National Bank and Trust Company, Paterson; N. D. Ellison, First National Bank, Mount Vernon; Arthur J. Geoghegan, First National Bank, New Rochelle; Charles E. Gillespie, Harlem Savings Bank, New York; Harland H. Griswold, Central National Bank, Yonkers; George J. Hossenlopp, Passaic National Bank & Trust Company; William F. Lackman, Guaranty Trust Company, New York; A. E. LaPointe, Title Guarantee & Trust Co., New York; George B. McGowan, Corn Exchange Bank Trust Co., New York; Norman P. McGrory, Howard Savings Institution, Newark.

Also, John E. McNamara, J. Henry Schroder Banking Corp., New York; Milton T. MacDonald, Trust Company of New Jersey, Jersey

¹ Deceased.

² No longer associated with the G.S.B.

City; Stanley V. Malek, Bank of the Manhattan Company, New York; Robert F. Marchant, Bank for Savings, New York; Howard R. Mears, Jr., Chase National Bank, New York; Percy B. Menagh, New Jersey Savings Banks Association, Newark; Ralph J. Mills, Yonkers Savings Bank; Thomas Mottola, Gramatan National Bank & Trust Company, Bronxville; Lester Newkirk, Marine Midland Trust Company, New York; George O. Nodyne, East River Savings Bank, New York.

Also, Edward S. Peterson, New York Trust Company, New York; S. Allen Pippitt, Chase National Bank, New York; Alfred B. Reed, First National Bank & Trust Company, Kearny; Arthur P. Ringler, Chemical Bank & Trust Company, New York; L. Parks Shipley, Brown Brothers Harriman & Company, New York; Arthur W. Somers, Public National Bank & Trust Company, New York; Charles O. Stapley, National City Bank, New York; Dean H. Travis, First National Bank & Trust Co., Summit; William S. Vanek, Manufacturers Trust Co., New York; Walter G. Vogel, Irving Trust Company, New York; Walter C. Warner, Federal Reserve Bank, New York; Gordon A. Watson, Central Hanover Bank & Trust Co., New

York; T. I. Wilkinson, First National Bank & Trust Co., Bridgeport; and Wilfred Wottrich, Manufacturers Trust Co., New York.

National Area Committee

ATLANTA—Garnett O. Wood, Trust Company of Georgia.

BEAUMONT—Isaac F. Betts, American National Bank.

BIRMINGHAM—C. Norman Ramsey, Birmingham Trust National Bank.

BOSTON—E. Morton Jennings, Jr., The First National Bank.

BUFFALO—Neil D. Callanan, Manufacturers & Traders Trust Company.

CHARLOTTE—Stanley W. Black, Jr., American Trust Company.

CHICAGO—Berford J. Brittain, Continental Illinois National Bank and Trust Company.

CLEVELAND—David J. Pritchard, Society for Savings.

DENVER—Raymond C. Erickson, United States National Bank.

FORT WAYNE—Earl G. Schwalm, Lincoln National Bank and Trust Company.

HARTFORD—Hans C. Christensen, Society for Savings.

LOS ANGELES—Arthur K. Kiester, Bank of America N.T. & S.A.



Speaker Randy Burgess

LOUISVILLE—Lawrence K. Arthur, Federal Reserve Bank.

MEMPHIS—Elbert Land, Jr., Union Planters National Bank and Trust Company.

MIAMI BEACH—Frank Smathers, Jr., The Miami Beach First National Bank.

MILWAUKEE—Charles N. Christiansen, Marshall & Ilsley Bank.

MINNEAPOLIS—Clifford C. Sommer, Midland National Bank.

MOBILE—Thomas A. Horst, The Merchants National Bank.

NASHVILLE—Alec B. Stevenson, American National Bank.

NEW LONDON—E. Kenneth Hadden, New London City National Bank.

PHILADELPHIA—Harry C. Culshaw, Pennsylvania Company for Banking and Trusts.

PITTSBURGH—Ralph L. Thomas, Peoples First National Bank & Trust Company.

PORTLAND—Eugene S. McClain, United States National Bank.

PROVIDENCE—Gilman Angier, Industrial Trust Company.

RICHMOND—Marchant D. Wor-nom, Virginia Bankers Association.

ST. LOUIS—Albert Wagenfuehr, The Boatmen's National Bank.

SAN FRANCISCO—Belford Brown, San Francisco Bank.

SEATTLE—Ross P. Williams, The National Bank of Commerce.

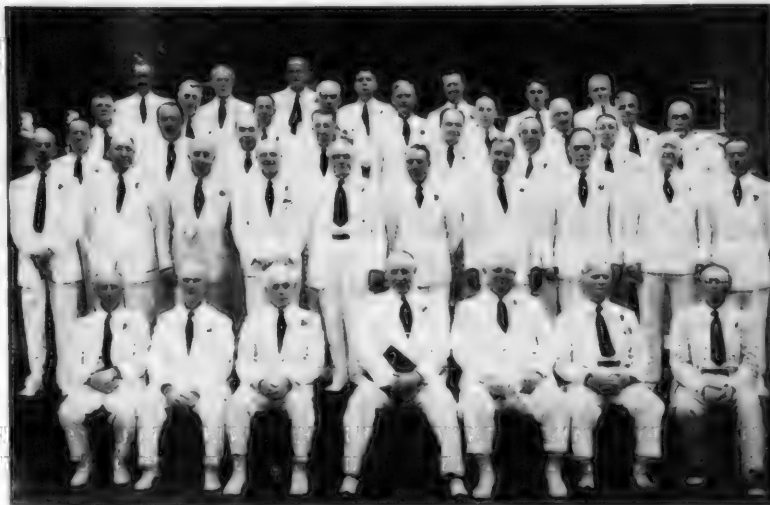
TROY—Harold J. Marshall, Manufacturers Trust Company.

WASHINGTON—Kenneth Birgfeld, American Security and Trust Company.

WILMINGTON—Edwin P. Neilan, Security Trust Company.

WORCESTER—H. Prentice Brown-ing, Worcester County Trust Company.

The G.S.B. marked its 15th anniversary with a teaching and lecture staff of 73. Some of the officers, administrative, and teaching staff on commencement day: *Front row*, Ernest M. Fisher, William A. Irwin, Joseph E. Hughes, Harold Stonier, F. Raymond Peterson, Eugene E. Agger, Willard E. Atkins; *second row*, Norman C. Miller, Harold N. Thomson, James E. Baum, Walter T. Elder, Austin W. Scott, Louis J. Asterita, Carl M. Flora, A. Anton Friedrich, M. J. Brines, Gardiner Cobb; *third row*, T. Allen Glenn, Jr., Herbert A. Berghof, Neil G. Greensides, Maurice A. Chaffee, John B. Mack, Jr., Richard Rapport, Robert Colman, Walter B. French; *fourth row*, Gilbert T. Stephenson, Monfort Jones, Eugene C. Zorn, Jr., R. S. Alexander, Howard B. Smith, Melvin C. Miller, George R. Amy, Lester Gibson; *fifth row*, Harold E. Zarker, Carl W. Trempf, Paul I. Wren, Frederic A. Potts, Leroy Lewis, Edison H. Cramer and J. R. Dunkerley



OUR OFFICES

cover New York...

OUR SERVICES

cover the Country!

Wherever your bank may be situated, the wide range of our banking facilities here in New York enables us to serve you more fully and more satisfactorily. Call upon us when you have a banking problem involving New York.

Manufacturers Trust Company maintains 80 banking offices in Greater New York. Our head office is shown on the map opposite . . . as are our branch offices, each offering complete banking facilities.

This widespread organization is fitted not only to meet New York's own diverse banking needs, but also to render exceptional service to banks in all parts of the country.

Manufacturers Trust Company

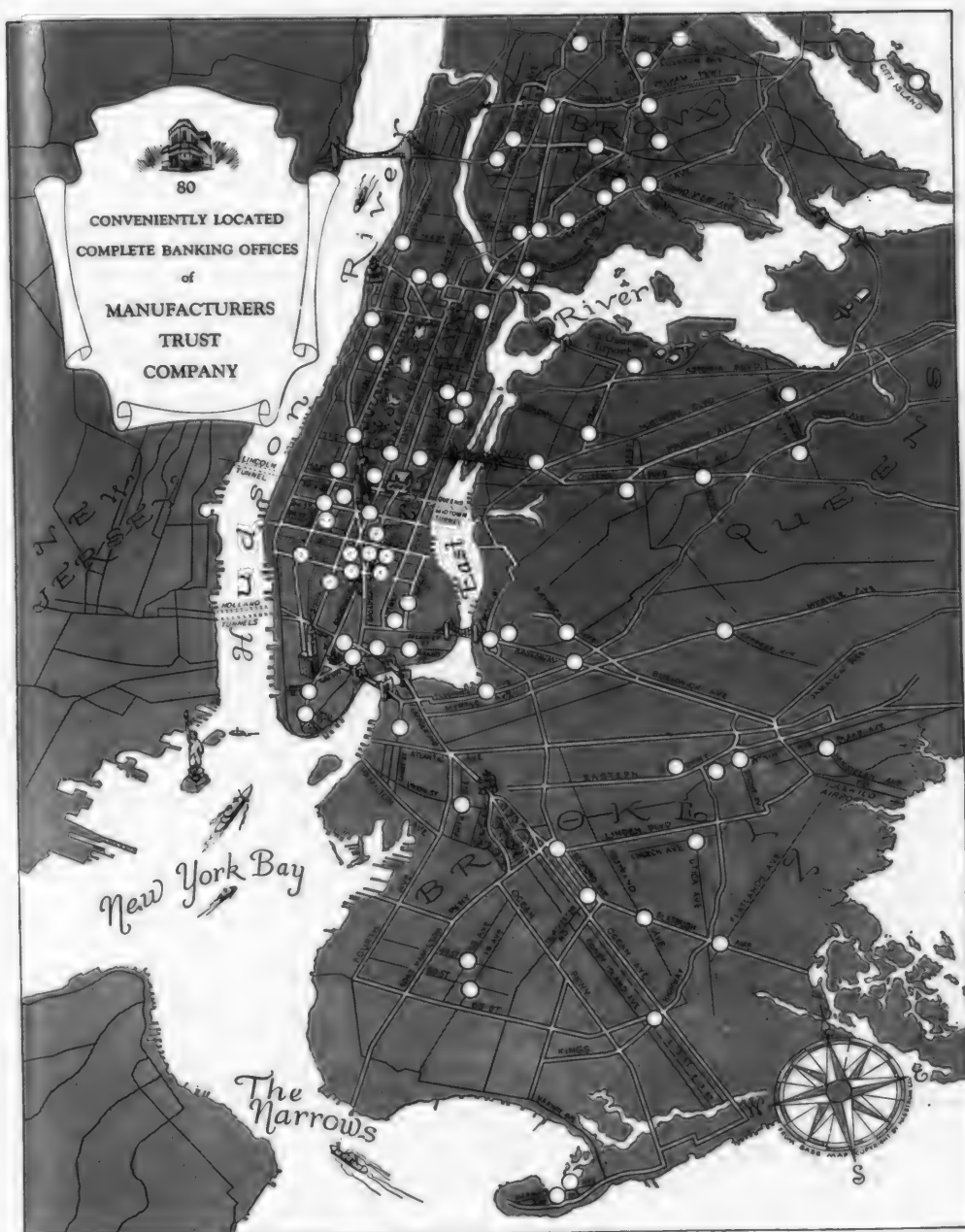
HEAD OFFICE—55 BROAD STREET, NEW YORK 15, N. Y.

80 Banking Offices in Greater New York

European Representative Office: 1, Cornhill, London, E. C. 3

Far Eastern Representative Office: Naka 7 Building, 3—chome, Marunouchi, Tokyo

Member Federal Reserve System • Member Federal Deposit Insurance Corporation • Member New York Clearing House Association



Is Bank Advertising Still Stuffy?

PHILIP WARD BURTON

The author is a professor in the School of Journalism of Syracuse University.

WHEN a banker thoughtfully and deliberately calls most bank advertising "outmoded, stuffy, stodgy, and without appeal to the present reading and listening public" that is news.

The statement dramatizes the sort of soul-searching about bank advertising that went on among participants in the recent Bankers School of Public Relations of the New York State Bankers Association. The school, conducted in cooperation with Syracuse University, made an intensive survey of bankers' public relations and some of the results of the survey are presented here.

Attending bankers, even while granting that improvements have

been made, were quick to condemn much of present bank advertising in such terms as "inhuman," or "too stiff and formal." Despite awakened consciousness of banks that customers are human beings, not statistics, many of the attending banking men felt that banks are still putting "too much emphasis on figures, not enough on human beings."

"Canned advertising," either supplied by advertising agencies, or by syndicated services, was held responsible for much of the impersonality of bank advertising. As one man running the advertising of a bank with more than \$300-million assets put it, "There's too much canned advertising. This is probably the fault of the agencies. Too few banks handle advertising from their own point of view inside the bank and do not write their own original copy. Banker personnel should work

out copy to fit their individual situations."

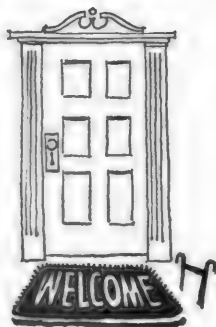
Advertising agencies were blamed by another bank man who said, "Too many banks have a practically total dependence on the suggestions of the agency and thus fail to tie-in with the policies of the bank. There's little attempt in agency-dominated situations to seek the advice of departments being advertised. Advertising copy is thus at variance with bank policy."

Of the 102 banks quizzed about their advertising policies, 60 percent used advertising agencies, so that agency domination, if it exists, can be a very real factor in bank advertising. Although 67 percent of the banks had men designated as advertising managers, only about a third of the banks had anything to do with the writing of their own ad-

(CONTINUED ON PAGE 98)

**We're
always
"at home"**

**to our
correspondent
friends**



Our close association with correspondent institutions, large and small, has proved the value of our being "at home" to them in Chicago. Such association has made it possible for American National to be of service to its correspondents in many special ways.

If you or your depositors have interests in Chicago, our experience and location can be of help to you. In every instance, we offer prompt, experienced, interested cooperation that many banks have found of unusual value.

Your inquiries are invited regarding any phase of this service.

**AMERICAN NATIONAL BANK
AND TRUST COMPANY OF CHICAGO**

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

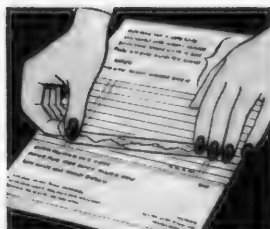


LA SALLE AT WASHINGTON, CHICAGO 90

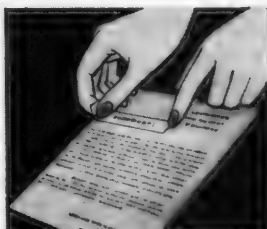
It's a time-saver for everyone in your office!



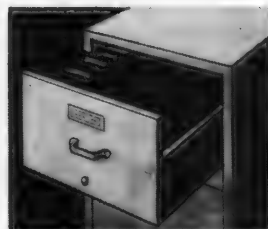
"SCOTCH" BRAND Cellophane Tape is tops with me for all kinds of jobs like . .



MENDING office records, file cards, maps, correspondence



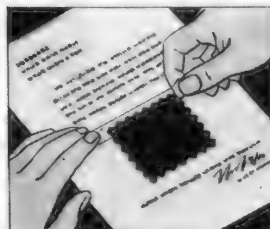
MASKING out unwanted parts of duplicator copy



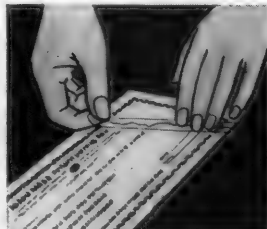
LABELING file cabinet drawers, folders and section dividers



IT SIMPLIFIES lots of time-consuming jobs for me . . .



TAPING swatches, coins, clip-pings, to letters and files



MENDING torn checks, vouchers, and currency invisibly



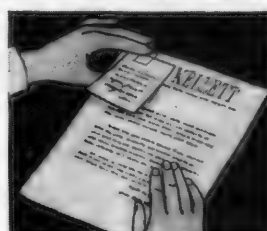
CORRECTING mistakes and revising tabulating cards



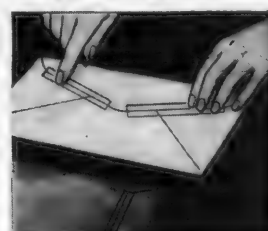
VERY HANDY for little odd chores that clutter up a day . . .



PUTTING UP office notices, announcements, instructions



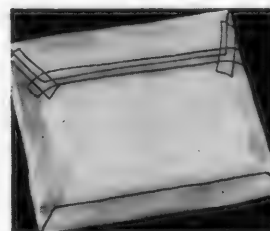
ATTACHING reminder tags and memos to letters and files



DOUBLE-SEALING important envelopes, confidential files



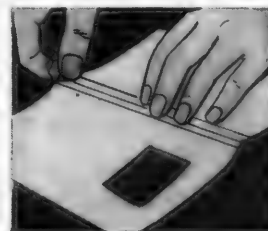
"SCOTCH" BRAND Cellophane Tape helps me in . . .



SEALING boxes, packages, bulky envelopes for mailing



LABELING supply shelves, rubber stamps, storage boxes



REINFORCING binders, notebooks, file folders, indexes



HEAVY DUTY DISPENSER is a favorite for mail rooms and file departments. Refillable with big, economical 2592-inch rolls. \$2.50 without tape.



DESK DISPENSER has soft rubber feet, lets you flick off any length of tape with one hand. Takes 1296- or 792-inch roll. \$1.69 without tape.



PLASTIC HAND DISPENSERS and Utility Dispensers keep tape handy at all times, ready to do a thousand and one jobs around the office.



IMPORTANT: There's more than one brand of cellophane tape — for quality always insist on the "SCOTCH" brand, in the bright plaid container.

Made in U.S.A. by MINNESOTA MINING & MFG. CO., St. Paul 6, Minn., also makers of other "Scotch" Brand Pressure-sensitive Tapes, "Scotch" Sound Recording Tape, "Underseal" Rubberized Coating, "Scotchlite" Reflective Sheeting, "Safety-Walk" Non-Slip Surfacing, "3M" Abrasives, "3M" Adhesives. General Export: DUREX ABRASIVES CORP., New Rochelle, N. Y. • In Canada: CANADIAN DUREX ABRASIVES LTD., Brantford, Ontario.

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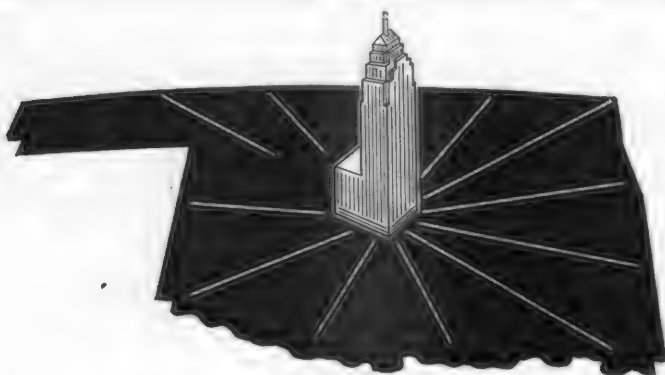
vertising copy and only about 20 percent touched their own layout work.

Only 8 banks had full-time advertising managers. The big majority of bank advertising is handled by bank personnel who devote part-time to the work. The typical "advertising manager" in a bank is a person who merely supervises copy and layout, leaving creative work to the advertising agency, the media, or to the syndicated services. He gives part of his time to advertising

work and usually less of his time is assigned to his advertising duties than to his other duties.

Bank advertising is clearly dominated by one medium—the newspaper. Only one of the banks checked at the school did not use newspaper advertising. The media pattern shaped up like this:

MEDIUM	PERCENT USING
Newspapers	99
Radio (spot announcements) ..	46
Radio (programs)	31
Direct mail	80
Transit (car cards—bus cards)	31
Outdoor posters	34
Display (window)	51



WHERE BANKERS BANK in OKLAHOMA

The one bank in Oklahoma which is statewide in its outlook, its contacts and in its correspondent relationships is—The First National of Oklahoma City.

We are now servicing 364 correspondent accounts in Oklahoma. This number represents more than 80% of all the banks in the state. These correspondent banks are located in each of the state's 77 counties.

"Coverage" such as this cannot help but reflect the high standard of excellence of our service. When you or your customers require service of any kind in Oklahoma we hope you will make full use of our facilities.



Member Federal Deposit Insurance Corporation

Display (interior)	86
Telephone directory (extra listings)	82
Telephone directory (display listings)	84

Other media mentioned were television, blotters, school programs, payroll envelopes, local magazines, commuters timetables, city directories, concert programs, calendars, and mimeographed advertising sheets.

When media were ranked according to effectiveness, newspapers came out well but, despite their universal use, were considered less effective in a number of cases than some of the other media, notably radio and direct mail. Here is how the media ranked:

MEDIUM	RANKED		
	NO. 1	NO. 2	NO. 3
Newspaper	53%	17%	10%
Direct mail	22	23	10
Radio	8	13	11
Window display ..		3	6
Interior display ..	1	2	9
Television			4
Magazines	1		1
Transit advertising	1	6	1
Outdoor advertising	1	2	2
Telephone directory		2	2
Mimeographed advertising sheet ..	2	1	
Calendars	2	1	

More than for any other reason newspapers were ranked No. 1 because of their "large circulation." A good many of the respondents liked newspapers also "because more business can be traced from newspapers than through the other media." One advertising manager explained, for example, "On a survey run among the 800 employees of my bank, this was the medium stated to be noticed more often than any other. From this I assume it is the most effective."

A number of other advertising managers liked newspapers because of departmentalization that enabled them to advertise to specific reading groups as in the case of the financial page, or the women's page.

On the other side, direct mail had its fervent backers with one such enthusiast saying, "When we question the customers as to what prompted their inquiries, we find 90 percent were prompted by direct mail."

Although newspaper advertising was preferred by the bankers, radio was used more frequently. Only 10

(CONTINUED ON PAGE 100)



The carefree Grasshopper—fiddling his way through balmy weather—had nothing but derision for the industrious Ants who spent their time getting in food against the rigors of winter. But when the cold weather arrived, the Ants were secure and the Grasshopper perished.

It is hard to believe that today there are many who are listening to the siren song of "cradle to the grave" security—and are ready to leave the Ants and join the Grasshopper.

The American people are now fighting for a fundamental principle—that true security rests solely on the industriousness and productivity of the individual working in a free economy.



Fireman's Fund Group
FIRE • AUTOMOBILE • MARINE • CASUALTY • SURETY FIDELITY

Head Office: 401 California Street, San Francisco 20, California

Departmental Offices: New York • Chicago • Boston • Atlanta • Los Angeles

FIREMAN'S FUND INSURANCE COMPANY • HOME FIRE & MARINE INSURANCE COMPANY

FIREMAN'S FUND INDEMNITY COMPANY • WESTERN NATIONAL INSURANCE COMPANY • WESTERN NATIONAL INDEMNITY COMPANY

percent used newspapers daily contrasted to 39 percent who used radio spots or programs (or both) daily. Most of the respondents indicated weekly use of newspapers. For direct mail, monthly mailings were decidedly in front.

The newer trends in bankers' promotional thinking were revealed in answers to the question: What do you consider your most powerful appeals? The traditional approach of emphasizing thrift or savings *per se* was hardly mentioned. The own-

your-own-home appeal ranked first, followed by the financial-independence lure. Other appeals ranked high by the respondents were banking convenience (all banking under one roof, mail deposits, location, hours, etc.), special checking accounts, and ease in borrowing. Other appeals mentioned fairly often concerned services offered, saving for travel, availability of safety deposit boxes, and the bank's friendly atmosphere. A noticeable lack of emphasis was placed on the bank as a "safe" place for money; more positive appeals were preferred.

ONE SOURCE for Many Markets

	BONDS	DEBENTURES	PREFERRED	COMMON
PUBLIC UTILITY	✓	✓	✓	✓
INDUSTRIAL	✓	✓	✓	✓
RAILROAD	✓	✓	✓	✓
U. S. GOVERNMENT	✓			
STATE AND MUNICIPAL	✓			
CANADIAN AND FOREIGN	✓			
BANK AND INSURANCE			✓	✓

Broad coverage *within one organization* of all these markets offers distinct advantages to portfolio managers. Transactions involving varied types of securities in large or small blocks are facilitated. Because of our sizable volume and daily contact with many classes of buyers and sellers throughout the country, better and more accurate markets are assured. We are dealers and maintain markets at net prices in each of the above categories of securities.



The FIRST BOSTON CORPORATION

NEW YORK BOSTON PITTSBURGH CHICAGO
PHILADELPHIA CLEVELAND SAN FRANCISCO

Probably the most striking variations revealed among the banker "students" were connected with their setting up of advertising budgets. Although some used a flat sum for advertising, and others assigned varying amounts according to objectives to be attained, most budgets were set up by percentages. These percentages were of net income, gross profit, gross income, net earnings, deposits, and operating expenses. An interesting variation of one bank was to assign one dollar per account to advertising.

Some of the budget breakdowns are shown in the following:

Net income: 2%, $\frac{3}{4}$ of 1%, 4%.

Gross profit: 3%.

Gross income: 3%, 2%, 4%, 3.2%, 1%.

Net earnings: 10%.

Deposits: 1%, 2%, $\frac{1}{10}$ of 1%, $\frac{1}{30}$ of 1%, 5%.

Operating expense: 5%, 6%, 3.5%, 0.5%.

Minnesota's A.I.B. Program

THE A.I.B. educational committee of the Minnesota Bankers Association has done an outstanding job in enrolling 430 students in 27 study groups. The committee this year has worked under the chairmanship of Emmett Erickson, Farmers and Mechanics Savings Bank, Minneapolis.

In an article which will appear in the October issue of the A.I.B. *Bulletin*, this particular project of the MBA will be described in detail, including the benefits which a state association can realize in adopting such a program—developing outstanding future leaders in banking, furthering their ability to carry out useful committee projects, and inculcating in them a sense of loyalty to the state association which has contributed, through its A.I.B. program, to their advancement in banking.

At 85 miles an hour on a modern highway you can see two worlds—this one and the next.

Singing is said to warm the blood. We've heard some on the radio that made ours boil.



A Personalized service to fit your bank's special requirements

FOR more than sixty years The Northern Trust Company has been known as a bank that does business on a *personalized* basis. Each transaction is a separate responsibility—handled carefully and to the fullest extent of our complete, modern facilities. This is the only basis on which we invite your business; it is the only principle we apply in handling the business you direct to us.

We feel we will be able to suggest important benefits to your bank through a connection with The Northern Trust Company. We would welcome the opportunity to discuss them with you.

Personal and Commercial Banking, including Foreign Banking • Trust Services for Individuals and Corporations • United States Government, State and Municipal Bonds • A Broad Range of Operational Facilities

THE NORTHERN TRUST COMPANY

50 SOUTH LA SALLE STREET, CHICAGO 90

Member Federal Deposit Insurance Corporation

NEW YORK REPRESENTATIVE—15 BROAD STREET, NEW YORK 5

The Outlook for Bank Earnings

(CONTINUED FROM PAGE 41)

(3) The growth in loans and their changing character emphasizes two elements in the bank earnings picture. First, if a bank is to obtain its proper share of loan volume in its community, it must offer a well-rounded package of credit accommodation designed to meet the credit needs of its customers. Second, the making of loans involves exposure to risk. Banks must screen their

loan applications with unusual care, particularly their real estate loans made during this period of inflated prices, and their consumer and personal loans made during this period of unprecedentedly high national income. The establishment of reserves for possible losses out of loan income would appear to be a must. Since the end of 1945 loans of member banks have increased by 66 per-

cent while the capital accounts which underwrite the risks in the loan account, have increased by only 23 percent.

(4) Banks should continue to broaden their income base and to add diversification to their earnings by offering a wider variety of financial services to their communities, and by charging for these services an adequate schedule of fees. The three-fold increase in service charge income for member banks during the past 10 years is a step in the proper direction. In 1949 it amounted to half of the amount paid stockholders in dividends, but in many cases it is still not as great as it should be.

(5) In our complex "money" economy there is a large and expanding field for financial services. Many of these services, in addition to traditional loan and deposit activities, are properly within the scope of bank operations. With interest rates low, and capital cushions becoming a smaller percentage of risk assets, it is essential that all sound sources of bank income be aggressively cultivated. A review of the problems and pitfalls with which banks have been faced in the past three-quarters of a century, and of the successful manner in which most banks have overcome these vicissitudes, gives solid ground for the belief that banks today should be entering into their period of greatest usefulness, and hence of greatest earnings potentialities. As long as banks continue to meet the financial needs of their customers, they will merit sufficient compensation to make them profitable. And if a sound bank is to continue to be a sound bank, it must, first of all, be a profitable bank.

Fast, Direct Service on Cash Collections

We cordially invite you to join our many correspondents who, through the years, have found association with us both pleasant and profitable.

Member Federal Deposit Insurance Corporation



A NEW approach to Insurance



Only this man can show you the **GRAPHIC INSURANCE AUDIT**

BUSINESSMEN all over the country have agreed—after seeing the GRAPHIC INSURANCE AUDIT—that for the first time they gained a complete picture of their insurance needs . . . could put their finger on overlapping coverages, and on gaps in their programs of insurance protection.

Only **THIS MAN**—your nearby U.S.F.&G.

Agent—can show you the GRAPHIC INSURANCE AUDIT. Call today and arrange for him to bring you a copy which can be patterned to your own insurance situation, personal, business or both.

There is no obligation. Why not call him now?

For claim service in emergency, call Western Union by number and ask for Operator 25 who has the name and address of your nearest U.S.F. & G. Agent.



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World Business

(CONTINUED FROM PAGE 50)

unperfected in mid-August. EPU is so complicated that only an occasional U. S. monetary economist has tried to study it in full detail. A good expose of EPU's involved mechanics may be read in *The Economist* (London) of July 15. EPU will not do away with all bilateral payments agreements between OEEC countries. Nor will it end exchange control in Europe. As a system of international monetary cooperation,

however restricted in duration or geographic scope, EPU represents a fresh start by countries which view the IMF with a jaundiced eye. ECOSOC delegates at Geneva are reported as considering the IMF weak and impotent. But EPU does not solve the main monetary problems, even those of the two years for which, at least, EPU's existence seems assured. Switzerland, for example, is to join EPU but sees the grave risk that in two years the Swiss stake in EPU, bought with

hard Swiss francs, will have been replaced by a wad of soft currencies.

GOLD GOES UP

As usual in wartime, the price of gold has been rising on free markets since the start of the Korean war. In Paris between June 22 and July 26 bar gold rose from \$38.88 an ounce to \$46.11 and sovereigns from \$43.68 to \$52.52 an ounce. . . . In Tel Aviv at the end of July demand for the restricted supply of gold was so great that the security clearing house on some days was refusing to register the price. The gold sovereign was then selling at \$25.20 per coin. . . . The rising premiums in different markets again opened the way for selling of South African gold in defiance of the wishes of the IMF. . . . In Australia earlier this year the New Occidental Gold Mines sued the government and the Commonwealth Bank for the difference between the price paid the company for gold compulsorily delivered and the price the company could have obtained by selling on world free markets. . . . In official Washington there is evidencing itself some concern over the prospect of Canada, South Africa, and other countries demanding gold-mining machinery and supplies to produce more gold to spend here for more goods in competition with our defense needs.

SPAIN made the front page when the Senate, ignoring the State De-

Mr. Churchill as he left England for the recent meeting of the Assembly and Council of Europe in Strasbourg, where he was proposed for war minister in a united defense



WIDE WORLD

BANKING

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The 3-panel board, pictured, is 64½" wide by 37" high; chrome and black finish; glass-covered display panels under lock and key; illumination; green felt-covered posting panels; removable blackboard. Two-panel boards also available.

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Recent surveys show 75% to 85% employees *prefer* the official company bulletin board as the simplest, most direct medium of communication between management and themselves.

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BANK SECTION

MARLIN IND. DIVISION, INC. (A subsidiary of The Marlin Firearms Co.)
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partment's wishes, voted to cut the Iberian country in on the anti-communist Marshall Plan in the form of an ECA \$100-million loan. Previously the Eximbank had firmly resisted pressure from Senators, notably Sen. Pat McCarran, to make what the Bank regarded as economically unservicable loans. Secretary of State Acheson and President Truman himself made no bones about their disagreement with the Senate's action.

FRANCE has written up the book

value of its gold stock so as to be able to spend the increment taken out of thin air. Once again we see the centuries-old readjustment to the facts of inflation.

COLOMBIA, according to an announcement by Dr. Lauchlin Currie, is paying the former New Deal economist \$150,000 to reorganize its administrative set-up. In the summer of 1949 Dr. Currie headed a World Bank economic mission to the South American republic.

PERU has increased its import duty on tea to protect Peruvian tea growers.

AUSTRALIA, with about 8,000,000 inhabitants, is admitting some 200,000 immigrants a year to build up the country's strength. . . . Prime Minister Robert Gordon Menzies has visited the highest U. S. officials to discuss Australia's need of dollars to finance the absorption of the immigrants. Also reportedly on his agenda was military collaboration between the U. S. and Australia and the economic strengthening of southeast Asia.

EMIGRATION from overpopulated Europe is being facilitated with \$1-million of ECA funds to be spent in survey and training projects.

JUST BEFORE KOREA the Bank for International Settlements reported that progressive liberation from the shackles of wartime controls had reached the stage where it seemed certain, barring some grave calamity, that there would be no turning back to the economic and currency controls disappearing on all sides.

PARIS MEETING of Fund and Bank governors this month, convened at a cost of some \$450,000, will elect new executive directors; re-examine quotas which some members want increased for prestige or practical reasons and others which,

U. S. High Commissioner McCloy in a German chemical plant which will soon be the largest in Europe producing penicillin



WIDE WORLD

BANKING

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Central National Bank is located in the business center of Cleveland . . . and Cleveland, itself, is centrally located in the heart of America's industry.

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Radiator heating that saves money

Outstanding among the many low-cost heating units by American-Standard is the Arcoliner Wet Base Boiler, shown above. It is compact, attractively jacketed, fully automatic, with rugged cast iron construction for long service. Since its waterways extend below the fire chamber, it provides extra heating area, yet prevents the floor beneath from overheating. Thus, this oil-fired boiler is ideal for first floor locations. And it's just one of many American-Standard Boilers for radiator heating and for any kind of fuel. They cost no more than others, and are available on easy time payments.



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That's what you'll find in the complete line of American-Standard Plumbing Fixtures. This powder room, for example, shows but two of the many style leaders—the Companion Lavatory and Master One-Piece Water Closet in rich Persian Brown, made of smooth, non-absorbent genuine vitreous china—the very finest. You have a variety of colors and types to choose from—plumbing fixtures that are styled right, built to last. Yet they are priced to fit your budget with our convenient time payment plan. And for full value, be sure to get American-Standard Fittings, too.

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You've got the finance plan for home improvements . . .
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Serving home and industry

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in at least the case of the Netherlands, many think should be reduced; hear the re-heated premium-gold controversy.

GENEVA. The Economic Commission for Europe reports that devaluations and trade liberalizations have boosted Europe's exports at the expense of U. S. traders.

FRANKFURT. The ECA reports that Western Germany's exports during the first half of 1950 set a

new postwar high and cut in half the adverse trade balance.

LONDON'S improved gold and dollar position proves success of 1950 devaluation in the sterling area, coupled with strong U. S. demand for rubber and other materials for civilian and military uses. Our Korean war should help sterling further.

75 YEARS AGO

In 1875 U. S. merchandise imports exceeded exports and consisted pre-

dominantly of manufactures and semi-manufacturers, whereas the country's exports were mostly raw materials and crude and manufactured foodstuffs. The U. S. was a net exporter of gold and silver. The great bulk of our international trade then was with Europe, which supplied about three-fifths of our imports and took about four-fifths of our exports.

U. S. FOREIGN TRADE IN 1875 (in millions of dollars)

Item	Exports	Imports
Crude materials ...	208	89
Crude foodstuffs ...	79	90
Manufactured foodstuffs	110	113
Semi-manufactures .	27	63
Finished manufactures	75	178
Total	499	533

North of the Border

THE outbreak of hostilities in Korea has had repercussions in Canada. Apart from losses in disturbed stock markets, Canada has felt the impact of higher prices for most essential imports, and quite marked curtailment in American tourist trade. For example, tourist expenditures in the early summer at Niagara Falls dropped to about half those of the like period of last year, as a result not only of cool weather but also of war preoccupations of American business people. Resorts elsewhere report numerous cancellations and a cut of about one-third in their mid-summer business. Moreover, Canadian economic life has begun to change from almost full time production of and trade in civilian goods to new demands for war materials and plans for more.

Canada is joining in the general rearmament movement of the democracies and is able to make substantial contributions to the common cause against communism, at least economically. She can, in fact, do a bigger and better job than she did in World War II, when she was the Allies' fourth largest arsenal and provided war supplies worth over \$20-billion.

While there has been little, if any, increase in the land under cultivation, the farms, particularly those in the West and in Ontario, are much more highly mechanized and

(CONTINUED ON PAGE 110)

If this nation is to survive we must learn that security is not the product of political power.

Government can wave no magic wands, issue no decrees, make no laws which will provide things for a people who do not produce.

The only riches which enable us to eat and drink, to clothe, shelter and educate ourselves and our families, to provide a measure of security in old age and to enable us to aid the less fortunate are the riches that are created through the skills of men in industry and business or grown through the efforts of men on farms.

The moral basis of society is being destroyed by the incessant scramble for higher wages, higher profits, higher pensions, more leisure and rigid prices for agriculture.

It is easy to forget how to plow when everyone wants to be a harvester.

No government will work in a land where everyone **TRIES TO WORK THE GOVERNMENT.** When you take away the incentive to produce and the penalty for loafing, you are on the slippery road to ruin. We can take out of our economic system only what we put into it.

W. ARTHUR SIMPSON
Commissioner of Social Welfare
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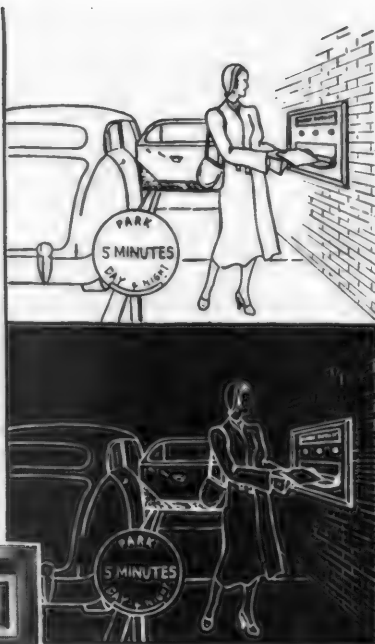
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tion with night deposit service, sometimes with the same receiving container . . . adjacent to Drive-In or Walk-Up Windows—and, tell you about a prominent eastern bank that installed the H-H-M 24-Hour Depository in seven branches, based on public acceptance of the service. Write today.



Here is a service that will appeal to all depositors. No longer will they need to limit depositing to regular hours, find parking space, or stand in line. All they need do is place the deposit in an envelope, drop the sealed envelope in the depository, and receive your acknowledgment in the next day's mail.

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(CONTINUED FROM PAGE 108)

therefore capable of greater production than in the 1930's. The output of food could be increased by 25 percent in two or three years.

The forests of Canada are now being cut extensively to furnish record quantities of wood pulp and paper, as well as a near-record supply of lumber, much of the total production being for export. All of these forest products are important war materials, particularly wood pulp for use in the manufacture of explosives, as well as of rayon. Both logging and milling operations in Canada have been greatly modernized and expanded as a result of new capital investment of several hundred million dollars in recent years, and further additions are in process. The forest industries are therefore geared to meet substantially greater demands upon them than those they met quickly and efficiently in the 1940-45 period.

CANADA is the world's major source of nickel and asbestos, and one of the three leading producers of copper, lead and zinc. No large new ore bodies of these strategic materials have been opened up since the last World War, but there are considerable reserves—hundreds of millions of tons—in the mines that contributed so effectively to the defeat of the Axis Powers. Moreover, there has been such great expansion in some fields as to provide minerals, oil, iron, and titanium, which Canada previously lacked in quantity, although full production of iron will not be possible for some years yet. Production of oil in Alberta, over 80,000 barrels daily, is double that of a year ago. Mining of the vast titanium deposits in Quebec is expected to commence within the next six months. The aggregate mineral production will soon be raised to over \$1-billion dollars per year, well above that of 1940-45. Closely associated with these large mining operations is one of the world's largest metallurgical industries, in which most of Canada's minerals are processed into semi-crude and refined products.

The industrial capacity of Canada is about 75 percent greater than that of 10 years ago. It is also much more varied, but not yet to the extent that the system can turn out

(CONTINUED ON PAGE 112)

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**The LIBERTY
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OF OKLAHOMA CITY

(CONTINUED FROM PAGE 110)

all kinds of war material. The expansion in recent years has been almost general, but most notable in steel, chemicals, artificial textile fibres, wood products and food processing, all of which are high on the list of strategic materials. The value of total industrial production is now at a yearly rate of about \$12-billion.

THESE Canadian production facilities will be called upon to meet a quite considerable part of the Democracies' requirements for rearmament, as well as those for Canada's own new forces, including the brigade of ground troops she has offered to the United Nations' command in Asia. The first great demands have come from the United States and were tentatively set out by American representatives at a meeting in Ottawa. There, the representatives discussed their requirements with a committee headed by the Honorable C. D. Howe, Dominion Minister of Trade and Commerce, and H. J. Carmichael. Both of these men are Americans by birth and early training, and both had successful business careers in Canada. Mr. Howe, a graduate in mechanical engineering at the Massachusetts Institute of Technology, built many of the terminal grain elevators at the head of the Great Lakes before he entered Canadian political life prior to the last World War. Throughout that conflict he was Canada's war production chief. Mr. Carmichael rose from a pattern maker in a Canadian machine plant to head General Motors of Canada. He was one of Mr. Howe's first-hand aides during World War II, and has since been chairman of the Canadian Industrial Defense Board.

THE United States intends to buy from Canada large quantities of small naval guns and probably Canadian aircraft, such as a long range jet fighter, as well as aircraft parts. Ultimately the United States will probably place orders in Canada for huge supplies of raw materials and manufacturers. If the present plans of American and Canadian authorities are finalized, the United States will draw on Canada for about \$1-billion dollars worth of war supplies and thus spend across the border 10 percent of its new defense appropriations.

Taxes by the Gallon

THE battered coupe pulled to a stop in front of the little gasoline filling station. . . .

"Fill 'er up, mister?" asked the attendant.

The driver nodded.

The pump began to whirr; the indicator turned and the golden brown fluid sloshed through the gauge.

Suddenly the driver sat upright.

"Say," he called to the attendant, "looks to me like you got something mixed up with that 'gas. I see a lot of stuff floating around in it. What is it?"

"Oh, that," said the attendant, replacing the hose, "that's nothin'. That's just taxes. D'ja never see 'em before? They're in all kinds o' fuel."

The motorist got out of his coupe and came up to the attendant.

"Tell me about it, will ya? Never heard of it before."

"It's a long story, but I'll try to make it short. To begin with, when you pay me for this gas, part of your money will go for two taxes, a Federal excise and a state gasoline tax.

"I take in your money and out of it I must pay seven kinds of taxes. Three are Federal and four are paid to the state.

"Maybe you saw a big gas truck on the road coming in. Well, that is the lad who services me. He brings the gas from the bulk plant. . . .

"Where do they get their gas?"

"Well, it comes in by pipeline to a terminal . . . From there, a trucker brings it to the bulk plant. That trucker, now, is a private concern, and he has to pay six kinds of Federal taxes. . . .

"But that ain't all. He has to pay 11 different state taxes, too. . . .

"Take that pipeline terminal . . . owned by the same company that owns the bulk plant. . . . The company has to pay 11 different Federal taxes. . . . Then it must meet 14 state taxes as well.

" . . . the pipeline company has to pay 12 Federal taxes. When you begin to figure out the state taxes it pays, then you're really getting complicated—it must pay 61 state taxes.

"The refinery . . . must pay the same 12 Federal taxes . . . but pays fewer state taxes. . . . The pipeline

transmitting the crude oil from the well to the refinery must pay 12 Federal taxes plus 15 state taxes. . . .

That takes us back to the oil well itself . . . which must pay 11 federal taxes and 16 state taxes. . . .

"That, mister, is a total of 197 taxes that flow right from the mouth of the oil well, over four states, and right into your car's tank. Of that number 129 are state taxes and 68 are Federal taxes. . . ."

His customer, ears ringing, had already driven slowly away from

the gas pump. Had he but waited he could have heard that a number of other taxes might be attributable to localities. The alternative method of delivering gasoline from the well to the gas pump via ocean freighter and railroad tank car runs up to a neat total of 119 taxes. . . .

But the motorist was already far down the road, his eyes glassy, his body trembling slightly every time the motor turned over.

Was it his imagination, or did the motor's noise really sound like "Tax, tax, tax, tax" . . . ?

Texas Tax Journal
June 1950

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right next door!



Right next door, in Canada, there's a market already buying over a billion dollars worth of U.S. products a year. Naturally a market of this size requires careful study. If your customers are interested in Canada, we can supply you with facts and figures they will require. For our Monthly Review, our brochures on "American Oil Interests Entering Canada" and "Canadian Taxes and Other Legislation," or any specific information you wish about Canada, write to our general offices in Toronto.

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WHAT'S IN A NAME? "The Iron Horse" is mostly steel today, and so is the train it pulls—whether the locomotive is diesel-electric or steam, whether cars are de luxe stainless steel passenger carriers or lightweight freight cars of famous U-S-S Cor-Ten Steel. And incidentally, the 794,000 miles of rails that make up America's enormous network of railroad trackage, are also made of steel.

LATEST THING IN SCAFFOLDS is the use of jointed steel pipe to form the trestles on which temporary walkways are laid. You'll see scaffolding like this on hundreds of building repair and modernization jobs today . . . and in many cases, the pipe used to make the scaffolding will be U-S-S National Steel Pipe.



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FROM BOSSIE TO BABY'S BOTTLE in the city is a complicated journey for milk. But at every step of the way, equipment of U·S·S Stainless Steel (like the tank truck in the picture) helps to safeguard its purity. No other metal is cleaner, more resistant to corrosion, better-looking. These qualities make it ideal for use in hundreds of household articles, too.



SWING 20 TONS OVER A GORGE. This is the Mt. Morris Dam in process of construction on the Genesee River in New York. And that huge bucket, weighing more than 40,000 pounds when loaded with concrete, swings back and forth across the gorge on a strong cableway operated with U·S·S Tiger Brand Wire Rope. In supplying steel and cement for projects like this, United States Steel continues its number-one job of helping to build a better America.

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Return Item Wire Advices

At the request of the Bank Management Commission of the American Bankers Association, this recommendation was prepared by RAYMOND C. DEERING, a member of the Commission and vice-president and comptroller, Manufacturers Trust Company, New York, N. Y.

At the last meeting of the Bank Management Commission, one of the matters considered was that

of information contained in wires advising nonpayment of items of \$1,000 or over.

Over a period of time this medium of advance notice of the fact that items are being returned unpaid has been found to be mutually advantageous to the depositor and the bank of deposit. In some instances, however, incomplete information defeats the purpose of the wire. For example, in some cases the message

does not include the name of any endorser, and in others the name of the last endorser is not given; instead, that of a prior endorser is supplied, which name, of course, has no significance to the bank of deposit in its attempts to identify the item.

True, by reference to its cash letters or deposit tickets, the bank of deposit can trace the item to its depositor (provided the item is not of an even amount, such as \$1,000). However, this procedure involves a needless waste of time.

In most instances where the name of the last endorser is not supplied in the wire, it will be found that a rubber stamp endorsement was used, over which, invariably, the bank stamp has been superimposed in such manner as to obscure the endorsement.

Although realizing that inclusion of the names of all endorsers in such wires would increase their cost, the Bank Management Commission nevertheless gave favorable consideration to this matter and now recommends that the names of all endorsers henceforth be included in the wires. Since the banks throughout the country reciprocally benefit by these wires, it is urged that all banks will follow this recommendation.

"Look at it this way: if they are not willing to lend you any money, why, there'll be nothing to pay back!"



BANKING

SAVE TIME... CALL ON
ANGLOTM
CALIFORNIA

FAST transit and collection service. Immediate credit on cash items payable in any city where Anglo has an office, whether routed to our office there or to our Head Office • Assets over \$600,000,000 • Capital funds over \$30,000,000 • 29 offices in key Northern and Central California cities.



GROWING AND BUILDING WITH THE WEST SINCE 1873

Member Federal Reserve System • Member Federal Deposit Insurance Corporation

BAKERSFIELD • BERKELEY • CHICO • FRESNO • HANFORD • HAYWARD • LEMOORE • MERCED • MODESTO
OAKLAND • PALO ALTO • RED BLUFF • REDDING • SACRAMENTO • SAN FRANCISCO • SAN JOSE

Philadelphia Clearing House "Modernizes"

AFTER operating in its picturesque surroundings for nearly half a century, the Philadelphia Clearing House Association closed the massive oak doors of its old quarters recently and moved into the building of the Federal Reserve Bank of Philadelphia.

Four 150-foot high-top desks, with green glass lamps, gave way at that time to low steel desks in white-walled, modern surroundings. That and other changes in the colorful atmosphere of the old clearinghouse will be missed by the thousands of school and college students who visit the organization, and by the bank clerks and runners who transact the business.

The Clearing House Association, formed in 1858, moved into its recently closed building in 1904. The structure had been built, in the taste of the time, for The National Bank of the Republic in 1884. It was not without oddities. For example peepholes were cut through the walls into the adjoining First National Bank building on one side, and the old Bank of North America building on the other side. These openings were concealed in all three buildings in the paneling, and barred in the center.

When night watchmen, on their

rounds in the three banks, wound the clock switches in each of these apertures, they could look through the openings at each other at regular intervals. If one watchman failed to appear in sight of his counterpart in the other building, it was a signal to notify the security agency. The peepholes were no longer used after the Clearing House abandoned use of gold in settlements about 1917.

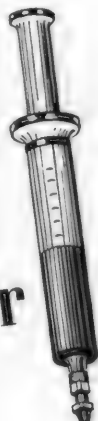
At that time, also, the huge vault

under the platform at the north end of the banking room was sold to the Federal Reserve Bank and removed.

In the old days, after the banks had exchanged checks drawn on each other, the settlement of balances was made in gold or in clearing house certificates. The big scale, used to weigh the gold, was still in the building when it was closed, with its weights equal to \$5,000 and \$10,000 of gold. Today, the settle-

"booster shot"

for public relations



Ordinarily, you might not think of looking to another bank for assistance with your Public Relations problems. But because of our special interest in the subject, a number of banks are now drawing on La Salle for practical help with Public Relations. Sometimes we are asked to review a bank's Public Relations program as a whole...advise on the advertising budget...address a staff meeting...lend a film...or pass along our experience in meeting particular problems. In each case, our answer is: yes!

Can we be of help to you?

 **La Salle**
NATIONAL BANK
FIELD BUILDING
135 So. La Salle Street, Chicago 90
Member Federal Deposit Insurance Corporation

Herbert C. Amidon (left), secretary and manager of the Philadelphia Clearing House Association, turns over the key of the organization's old home to Frederic A. Potts, chairman of the Clearing House Committee and president of The Philadelphia National Bank



ments are made through bank member accounts in the Reserve Bank.

At the end of each settlement period daily, Herbert C. Amidon, secretary and manager of the Clearing House Association, mounts on the platform, calls out the credit or debit for each bank, and balance of the accounts. If there is a discrepancy, the clerks make the rounds of individual bank desks, checking the balances. The bank in error is fined \$1.

There are fines, too, for bank runners and clerks appearing late at the clearing, in a mounting scale for

every 10 minutes of tardiness. Actual clearing of checks takes only a few minutes. A gong sounds, and the runners begin to take their packages of checks on a circular route around the room, delivering them and receiving checks drawn on their own bank.

Despite the fact that calculations running high in the millions took place daily, no adding machines were ever used.

The Clearing House Association, itself, remains unchanged, and will conduct the clearings under its own rules and regulations.



Since its birth on July 20, 1875, the American Bankers Association has constantly—and successfully—promoted better banking.

We take a great deal of pleasure in voicing our appreciation for the many contributions the Association has made to our profession... in wishing the Association many many more happy birthdays.

Society for Savings
IN THE CITY OF CLEVELAND

FOUNDED 1849

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

By the Way—

The baldness of many successful businessmen shows they have come out on top.

A great deal of Sunday driving is simply a desire to be around when the accidents happen.

Soon each motorist will have to buy two cars to find space for the accessories.

Experience must be a good school or so many people wouldn't take postgraduate courses.

In-laws are often a case of having to take the bitter with the sweet.

A modern cook book needs plenty of blank pages for the telephone numbers of the delicatessens.

There's no cure for laziness in a man, but a wife and family help some.

In the old days a fool and his money were soon parted. Now the Government does it for everybody.

Many hands make light work, particularly on a Government project.

What we would like to know is just when junk becomes antiques.

When you are in college it is tough to get a letter from home with nothing in it but news.

"I've written a little application speech and I hope you'll listen."



What's Cooking in Boston?

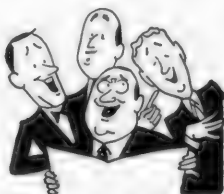
From all over America, they are going to converge on Boston, September 18 through 21, to attend the 35th Annual Convention of the Financial Public Relations Association. If you are interested in any aspect of financial public relations, you ought to be there, too. Why not send your reservations to Preston E. Reed, Executive Vice President of the Association, 231 South La Salle Street, Chicago 4, Illinois.



ARGUMENTS? Lots of them. But out of these friendly, fact-finding FPRA convention discussions, among men and women in advertising, banking and other fields, valuable ideas reflecting varying points of view are developed. You'll profit from them.



WORK? Yes, sir. Every FPRA convention is a coats-off-sleeves-rolled-up affair. Illustration: in the four-day meeting in Boston there are 58 convention sessions, consuming 84 hours of time. You can't make all the sessions, of course, but make the ones that count most for you.



FUN? Certainly. Boston is a big-league town in every way. It's too early for the World Series, of course. But there's every variety of entertainment to match your mood for relaxation. And you'll find your fellow FPRA'ers a mighty harmonious group.



SPEECHES? Just exactly 2.5% of convention session time will be devoted to formal speech-making. Taking speeches away from a convention is like stealing candy from a baby—but we've cut ours to a minimum. No time for them—too much work to do.



MEDIA? You name it—FPRA has it. Clinics on newspaper advertising, radio, television, outdoor—all media. If you've got fixed ideas about certain media, bring them along. Maybe you'll find confirmation—more than likely you'll develop greater objectivity.



WIVES? The old gags about bringing wives to conventions, especially the FPRA convention, went out of style with the double-deck bustle. Bring the Mrs. along. We've made special plans to entertain the little woman—and she'll love you for it.

35TH ANNUAL F. P. R. A. CONVENTION • • • BOSTON, SEPTEMBER 18, 19, 20, 21

Washington

(CONTINUED FROM PAGE 45)

implement the \$10-billion supplemental military preparation program—the scope of the program then pending in Congress.

Representatives here of leading industries took these public statements at their face value.

Remarkable as it may seem, several of these men, representing a broad section of the economy, reported uniformly that the Pentagon

(i. e., the Armed Services) could not give them the slightest idea what procurement was planned. The \$10-billion figure had every appearance, they said, "of having been pulled out of the air."

Program Wouldn't Mean Extension Diversion

It was the consensus of several of these observers that the then limited program could not involve any major near-run diversion of industrial raw materials. Some of their private calculations, involving

the "most" that could be ordered under not only that program but the existing 1951 fiscal year military appropriations and the \$5-billion foreign arms aid program, would absorb about one-thirteenth of the finished steel capacity of the United States. This would leave considerable room for both "guns and butter." It is probably something which consumer credit controls would have come close to handling without extensive materials controls.

Since then, of course, the program has steadily expanded. What these industry men found is not so important in relation to the then-existing program as it is a clear indication that Federal officials, who assert their preeminence in planning the future of the civilian economy, had not planned their limited war economy at all.

Likewise the first tentative restrictions against guaranteed and insured mortgage loans were taken without any apparent idea as to how much these restrictions would curtail housing starts this year, or how much it was even desired to restrict home building.

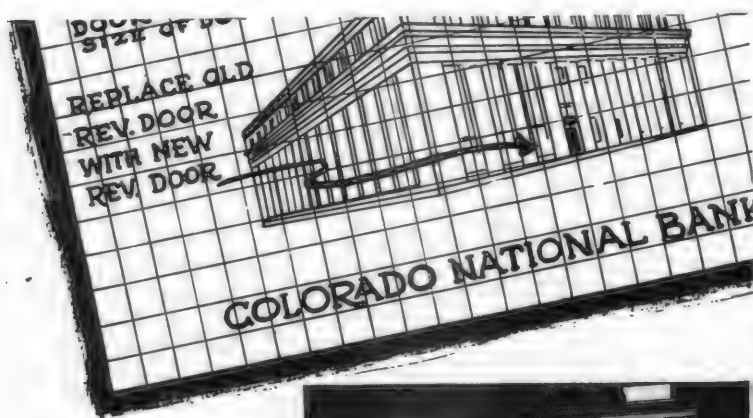
Even a sudden decision to go "all out" into a total military program would still take many months to put into effect. The utterly nascent form of war preparations stands sharply revealed. Whether it is to be a \$15-billion war program, a \$25-billion war program, or a \$50-billion war program, it will probably be several months before there will be the roughest idea of how quantitatively it will impinge upon civilian output.

So banks must remain in the dark for months how much farther beyond the present immediate situation the broad controls will be applied to mobilize the credit toward war.

"Government as Usual"

To the extent that "Government as usual" prevailed, it would put an additional strain all around on materials, tax revenues, and credit. "Government as usual" was dying hard. While the Senate finally managed to effectuate a net reduction of between \$400-and \$500-million on nonwar appropriations, other committees of Congress and the Administration were blithely going ahead with long-range programs.

Housing and Home Finance
(CONTINUED ON PAGE 122)



In 1914, a revolving door was installed, replacing swing doors at the Colorado National Bank. Last year — after 35 years of carefree service — this revolving door was itself replaced — by another International-Van Kannel revolving door.



The entrance to the Colorado National Bank, of Denver, is an International-Van Kannel revolving door constructed from a special bronze alloy, matching perfectly the original bronze surrounding work.



REVOLVING
INTERNATIONAL-VAN KANNEL
DOORS

1807 EDGAR STREET EVANSVILLE 7, IND.

IN CANADA—International-Van Kannel revolving doors are available through Eastern Steel Products, Ltd., in Toronto and Montreal.

FIELD WAREHOUSING

Warehouse Receipt Loans Against Inventory

Right now new Field Warehouses are being opened . . . right on the borrower's own premises . . . for the storage of aluminum, building materials, candles, canned goods, coal, furs, lumber, overcoats, peanuts, television and radio sets, seeds, silverware, steel, soybeans, textiles, tobacco, wheat, wool, wood pulp, Xmas tree ornaments, and many other raw materials and finished products. Warehouse Receipt Loans against these inventories enable lending banks to give maximum credit with minimum risk. We offer the most complete and economical Field Warehouse Service available.

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New York Terminal Warehouse Company
25 SOUTH WILLIAM ST., NEW YORK 4, N. Y.



CHICAGO CITY BANK AND TRUST COMPANY

HALSTED AT 63rd
Chicago

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

MEMBER FEDERAL RESERVE SYSTEM

CONGRATULATIONS A.B.A. ON YOUR DIAMOND JUBILEE

Most of our own 81 years have been closely linked to happy relations with the American Bankers Association and its members. Now we join most heartily in extending sincerest praise and warmest wishes to the A.B.A. on its 75th birthday.

UNION PLANTERS *National* BANK & TRUST CO.

Since 1869

MEMPHIS, TENNESSEE

Capital, Surplus and Undivided Profits Over 15 Million Dollars
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

(CONTINUED FROM PAGE 120)

Agency was excusing its plugging of the slum clearance and public housing programs by saying it could cut them off if war conditions demanded. The social security bill vastly increasing pension outpayments was pushed. Expensive parkways and other projects were being cleared as "necessary to defense." Congress seemed to think it was necessary to pay for transportation, to the doors of charitable institutions, of perishable farm commodities bought up and given away under price supports, and the Washington, D. C., policemen were given the 5-day week.

Study Government Overstaffing

One of the things which might ultimately hack down the extravagance of Government is the study currently being undertaken of personnel overstaffing. Representative John Bell Williams (D., Miss.) is chairman of a House Civil Service subcommittee which has begun to tackle this big but elusive problem.

The Hoover Commission took note of this problem, one of whose facets is the fact that supervisors in the Civil Service status tend to receive advancement in proportion as they have employees under their jurisdiction.

Representative Williams, with a small staff of trained personnel experts, is quietly investigating and measuring overstaffing. By the end of this year the subcommittee hopes to evaluate the extent and causes of overstaffing in agencies employing about half the non-military Federal employees.

This study then will kick off the proposal for a very large and thorough investigation.

V-Loans Geared for Quick Action

With the passage of the war controls bill, the Federal Reserve Board quickly re-activated its V-loan machinery and regulation. This was developed during the last war out of an evolution of various steps designed to provide adequate credit.

Thousands of contractors and subcontractors developed a total credit need beyond the normal risk capacity of local banks, as their total volume of production was boosted beyond their normal civilian levels.

In order to provide these producers with the needed credit the Ser-

(CONTINUED ON PAGE 124)



"You can always bank
on Irving service!"

● "Hardly a day goes by that our bank doesn't call on the Irving Trust Company for some type of service. A credit report for a customer, collections to be handled, a portfolio analysis. Sometimes we have to make requests that seem almost too trivial to bother with. But the Irving never thinks so. *Every* one of our requests gets the same type of personal attention."

As New York correspondent for literally hundreds of banks the country over, the Irving Trust Company offers a broad range of banking services and facilities . . . invites you to make full use of them.

IRVING TRUST COMPANY

ONE WALL STREET • NEW YORK 15, N. Y.

Capital Funds over \$118,000,000 • Total Resources over \$1,100,000,000

WILLIAM N. ENSTROM, Chairman of the Board

RICHARD H. WEST, President

Domestic Banking Division—NOLAN HARRIGAN, Vice President in Charge

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Can Your Records Stand the Wear and Tear of Handling and Age?



There's just one right quality of paper or card for each type of account or record. Be sure you're making the right selections by sending for the free booklet shown here. Published by the Parsons Paper Company, Holyoke, Massachusetts, it includes a table telling how much wear and how many years' service you can expect of the various grades of ledger papers and index cards. It will be valuable to you whether or not you use any of the popular Parsons record-keeping papers or cards.

Parsons makes seven types of ledger paper and three types of index card stock in a wide variety of weights and colors, all made with new cotton fibers. All take clean, sharp entries from pencil, pen or machine with no smudging, and will stand rigid in your files. The no-glare surface is restful to the eyes. They are engineered to the specifications of America's leading manufacturers of bookkeeping equipment. Each sheet is solid — not pasted — so it cannot split. Ink will not run on the fibers. Erasure with chemicals, rubber or scratcher, leaves a smooth surface the same color.

King Cotton, Parsons' symbol of quality in paper, suggests: "Send the coupon today for your free copy of 'How To Make Your Records Legible and Lasting'. It will help you select the right paper for various applications, and give valuable hints on saving time, effort and paper."



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PARSONS PAPER COMPANY
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HOLYOKE, MASSACHUSETTS

Please send me, without cost or obligation, your booklet on selecting the right record-keeping paper or index card for each job.

Name.....
Organization.....
or Company.....
Street.....
City or Town.....State.....

(CONTINUED FROM PAGE 122)

vice departments guarantee up to 90 percent of the loans extended by banks on their contracts and sub-contracts. The Federal Reserve System, with its 32 branches and banks, operates as fiscal agent for the Services in handling guarantees.

Through the V-loans, local banks will perform an important task in positively channeling credit to finance production. It appeared almost as though the Federal Reserve System were prepared to set the V-loan program in operation once more before the first customer arrived.

Nonfarm Mortgage Census

Beginning early this month, banks in some 700 counties in every state will receive forms from the Census Bureau asking for data on nonfarm mortgages. This will provide a sampling census for the Bureau's "Survey of Residential Financing."

Filling out of these forms is obligatory, under the law, but every effort has been made to simplify the forms and lessen the load on bank staffs.

Lending institutions will receive report forms on about one in every 300 of the nation's nonfarm mortgaged residential properties. The average lending institution will be asked for information on from one to 20 mortgages, except for very large lenders, which will be asked to handle 50.

RFC Directors Appointed

President Truman appointed two commercial bankers and one lawyer to the Board of the RFC. They were W. Elmer Harber, president, First National Bank, Seminole, Oklahoma, who is also chairman of the board and president, American National Bank, Shawnee, and Walter E. Cosgriff, president, The Continental National Bank and Trust Company, Salt Lake City, Utah. A third new member is C. Edward Rowe, Boston lawyer.

Dropped from the Board was Chairman Harley Hise, a former Pacific Coast mortgage banker, and Harvey J. Gunderson, who opposed the President's small business program. Friends of Messrs. Cosgriff and Harber assert that they are advocates of small business loans. Mr. Harber was Democratic national committeeman for Oklahoma.

HOW TO KEEP up-to-date ON CANADA!



As a Canada-conscious banker you'll want to receive the Bank of Montreal monthly Business Review. This fact-packed summary contains:

1. Clear analyses of Canada's economic development and problems.
2. Detailed surveys of country-wide Canadian industrial and trade conditions.

We'll be glad to put you on the mailing list for the B of M Business Review right away. Simply write for Business Review on your letterhead to any U.S. office or to the Foreign Department, Bank of Montreal, Place d'Armes, Montreal.



**BANK OF
MONTREAL**
Canada's First Bank

In Canada since 1817...in U. S. since 1859

U. S.
NEW YORK 64 Wall St.
CHICAGO 27 S. La Salle St.
SAN FRANCISCO - 333 California St.

LONDON
47 Threadneedle St. E. C. 2
9 Waterloo Place S. W. 1

500 Branches
across Canada

HEAD OFFICE
MONTREAL

RESOURCES EXCEED \$2 BILLION

A Time to Watch Our National Step

(CONTINUED FROM PAGE 35)

As a nation we must prove that free men and free institutions can develop the unselfishness, determination and unity of purpose necessary for survival in the face of totalitarian pressures. We have been facing this test successfully for 175 years. Now, the question is whether on this new continent, with a population recruited from the freedom-lovers and opportunity-seekers of many lands, creeds and cultures, we can summon that measure of devotion which will make our freedom sufficiently contagious to leaven a free world. The answer is, "We can and will."

* * *

We must find a way to convince all of our people that we must support the Government and not look to the Government to support us. Here again it is the duty of citizens to stand courageously and steadfastly against any further encroachments on our free enterprise system.

* * *

The unchecked trend in the world today toward complete socialization of every phase of our political and economic life places on the banker a responsibility for better public understanding.

I question whether the average citizen realizes, or even cares, what is slowly happening to the banks. Too many have forgotten the principles set forth in the Declaration of Independence and the Constitution. Unless our people wake up quickly to the dangers we face, made more acute by the present threat of imminent worldwide conflict, we are going to lose the last vestige of our free enterprise system and the rights we have always cherished but lately taken for granted. We have never needed more than we need today the tried and proved American fundamentals. With a staggering national debt, we need economy in government. With the threat of socialism, we need more patriotism, and, in the plans for the future, to keep our country as our forefathers prepared it for us, we need more thrift.

* * *

Our banking system backed by



An 8-month shutdown did not hurt our profits!

(Based on claim #H-49-1306)

When fire damaged the building of our furniture company last year, it took us 8 months to re-establish the business. Normally, the firm would have earned a \$133,632.73 profit during this period. Instead, with sales drastically curtailed, we only earned \$53,358.43...a loss in profits of \$80,274.30! Added to this were continuing expenses and expediting charges of \$35,759.42...making a total of \$116,033.72 which the firm stood to lose. But, because we had Business Interruption Insurance in a sufficient amount, the business collected \$116,033.72... enough to offset the necessary expediting charges and continuing overhead and give us our full anticipated profit!

• • •

Why let your client risk a crippling loss of income should fire or other insurable hazard cause a shutdown? Safeguard your loan . . . by helping him find out, now, how much Business Interruption Insurance he needs! Hartford's Worksheets make this easy. Just mail coupon for free copies . . . or see your Hartford agent or insurance broker. In more than 5000 communities you can reach your Hartford agent by calling Western Union, asking for "Operator 25".

HARTFORD FIRE INSURANCE COMPANY
HARTFORD ACCIDENT AND INDEMNITY COMPANY
HARTFORD LIVE STOCK INSURANCE COMPANY

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Please send free copies of work sheets for Business Interruption Insurance.

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9

individual capital cannot survive if Government agencies, using taxpayers' money, are permitted to continue and expand in the banking field.

The kind of thinking which fights communism in Korea, yet condones the taking away of individual initiative and freedom through socialistic ideology in this country, is our chief national problem.

* * *

We are adopting totalitarian methods instead of proceeding along orthodox lines in our economy. When we get into trouble, we quickly resort to all sorts of controls, regulations and restrictions. History shows that man is at his best when he is free and unham-

pered by government regulations. It will be almost a miracle if we, as a nation, come out of the present war situation without ruinous inflation and loss of individual liberty.

* * *

We are in danger of having socialism without ever voting for it. Politicians have found that they can perpetuate themselves by promising something for nothing and the resulting expanded government activity has already made serious inroads by National Government on private enterprise.

* * *

The world cannot remain half slave and half free, half communistic and half democratic. This problem will intensify itself the next

few years if we allow Russia to continue to dominate the scene and exhaust our nation economically.

Ironically, we must adopt some of communism's central control methods in order to defeat communism. This promises to be a long drawn-out situation, so our American way of life as we have understood it up to this time may be over for this generation and perhaps the next.

If we, as bankers, do not appraise that situation properly and realize its impact we are moral cowards and hiding our heads in the sand. If we worry about the immediate future of money rates or amount of consumer credit outstanding as our chief problem, we are making a big mistake.

* * *

Government tends constantly toward increasing controls and regulations and toward the complete socialization of the banking system.

Our enemies within have a greater potential than those without. We have seen the disastrous results of the spread of the socialistic ideology in Great Britain and the tendency in this country is apparently to proceed in the same direction.

* * *

How can we wage a war without wrecking our comparatively free economy? The real danger is that power hungry men will seek to use war as an excuse to regiment and socialize agriculture and industry to an unnecessary degree merely to concentrate power in the hands of the Federal Government. Past experience has proved that unnecessary regimentation would cut production and hence this country's war potential. Excessive taxation

"He says they've already caught a hundred bank robbers today!"



THE BANK OF VIRGINIA

RICHMOND • PETERSBURG • ROANOKE • NEWPORT NEWS • PORTSMOUTH • NORFOLK

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



STATEMENT OF CONDITION : JUNE 30, 1950

Resources

Cash and Due from Banks	\$ 9,052,799.53
U. S. Government Bonds	21,319,726.54
Municipal Bonds	288,565.47
Other Investments	1,075,000.00
Commercial Loans (1)	\$ 6,578,459.83
Loans to Individuals (2)	23,036,621.98
(Repayable Monthly)	
Mortgage Loans to Individuals (3)	7,728,199.81
(Repayable Monthly)	
TOTAL LOANS AND DISCOUNTS	37,343,281.62
Investment in Banking Quarters	1,827,987.23
Interest Earned but not Collected	106,666.38
Other Resources	123,133.20
TOTAL RESOURCES (4)	\$ 71,137,159.97

Liabilities

Capital Stock	\$ 1,800,000.00
Surplus	2,000,000.00
Undivided Profits	412,385.10
TOTAL CAPITAL ACCOUNTS	\$ 4,212,385.10
Reserves — Unallocated	595,431.42
Deferred Income	1,692,041.04
Reserve for Taxes, Interest, etc.	476,496.61
Dividends Payable July 1, 1950	27,000.00
Other Liabilities	133,202.47
Time Deposits (5)	\$ 37,537,561.49
Demand Deposits (6)	26,463,041.84
TOTAL DEPOSITS	64,000,603.33
TOTAL LIABILITIES (4)	\$ 71,137,159.97

(1) Represented by 1,647 accounts

(2) Represented by 49,889 accounts

(3) Represented by 1,801 accounts

(4) 168,418 accounts of all kinds are being served

(5) Represented by 42,535 accounts, not including 27,089 Christmas

(6) Represented by 39,510 accounts

Club accounts

AUTHORIZED MEMBERS

rather than elimination of unnecessary expenses could work the same havoc, and either one would sign the death warrant of economic freedom and personal liberty.

* * *

We should support and assist every effort made to maintain American business in its traditional free enterprise form. Our tremendous Federal debt and its implications make this difficult.

We need a return to the type of religious faith which was responsible for the setting up of our present form of government. We must maintain virility and strength in the economic and military sense so that our type of liberty and democracy might be preserved and we must educate our youth as to the true meaning of the privileges and responsibilities of an independent citizen of a democratic country.

* * *

Let's defeat communism before it defeats us.

* * *

The people of America are menaced by the socialistic and communistic trend of government at home and abroad and by their own think-

ing. We have far too large a segment of the people in this nation who are openly or under cover advocating straight out communism.

* * *

As a nation we face the necessity of furnishing world leadership, involving economic assistance as well as armed manpower, in the struggle to restrain communistic aggression or any other form of totalitarianism throughout the world without losing, in the effort, the freedoms which are essential to our American way of life.

* * *

We could get along very well if the Government did just two things for its citizens. First, provide and maintain a stable circulating medium. Second, give every citizen protection, against the enemies without and within, protection of his freedom of thought and of action so long as it does not interfere with that of others. With this freedom would necessarily come responsibility and that is what makes strong and courageous citizens.

* * *

Reckless spending for preparedness such as we have witnessed for

the past few years, can only bring chaos and our own destruction, because we are receiving practically nothing in return for the amount expended. We must have proper management, a stronger state department, and cooperation between the branches of our service.

* * *

Increasing steadily are the impact of Government guarantees on the investments of the banks and the dependence of banks (particularly in the mortgage field) on these guarantees. The long term implications of this transfer of risk from private capital to the government make the banks vulnerable to policy dictation and other controls.

* * *

As a nation we must maintain our traditional free enterprise system and democratic form of government in the face of a world-wide swing toward socialism and totalitarian government. Too many of our people apparently are willing to trade their freedom and private initiative for what they consider security provided by a strictly regulated economy.

* * *

Efficient Services in Colombia

THROUGH

BANCO de BOGOTA

Oldest established and largest commercial bank in Colombia

42 BRANCHES

Special attention to collections

Total Assets:

MORE THAN \$ 206,000,000 PESOS

Colombian Imports from United States:

- 1946 US. \$ 195,000,000
- 1947 US. \$ 216,000,000
- 1948 US. \$ 197,000,000



BANCO DE BOGOTA

ESTABLISHED 1870

BOGOTA, COLOMBIA S.A.



We must maintain the vitality and influence of our chartered banking system. The future of this system is threatened not alone by attacks from the outside, but also by the default of some bankers themselves in the assumption of their responsibilities. Victory in this conflict is essential to the preservation of our American competitive enterprise system.

As a nation our responsibility is to lead the struggle for freedom of individuals and nations from domination by aggressors.

Our independent banking system must be preserved. With increased governmental controls and competition, dependence to a large degree upon Government securities and guaranteed loans for income, and deposits insured by a Federal agency there is not much left.

The danger of socialism is real. Unfortunately a large segment of our people either do not understand, or they accept these new conditions because of their apparent individual benefits not realizing that gradually freedom is being exchanged for the hope of "security."

* * *

Fighting Russia on her own terms, and wearing ourselves down to bankruptcy and exhaustion fighting her satellites is utter folly. Our only hope in this fight for survival is to challenge Russia herself at the earliest possible date that we can get ready.

As bankers we should make a careful survey of our assets and liabilities, and appraise very carefully the future credit needs of each customer, and see to it that the credit is applied to his actual needs. We should also discourage any inflationary tendency on the part of our customers, especially in the field of speculative investments. We feel also that the Government should set the pattern for banks, and stop creating credit institutions which tend to lead and encourage people to go further in debt and buy up scarce commodities in the field of production, thus creating a scarcity of supplies, and laying a sure foundation for inflation.

* * *

We must make ourselves and our banks fit for survival in the trying times which our economy, our nation and our civilization are in for.

To that end we must keep our banks sound enough to merit public confidence, and we must keep ourselves farsighted enough to qualify for the leadership which the times will demand.

* * *

Banks must see to it that all legitimate and proper credit needs are taken care of. They should conduct their business in such a way as to offer the greatest possible resistance to further socialization of banking by government.

* * *

Bankers have a job these days in adjusting their appraisal and administration of credits so as to keep inflationary forces at a minimum and at the same time to fulfill obligations to depositors, communities, the nation and shareholders.

* * *

An all-important task today is how to meet rising costs of supplying our services in the face of probably increased taxes and lower interest return on loans and investments. Under inflationary conditions, many companies can increase the price of their product to help offset rising prices. Under rigid

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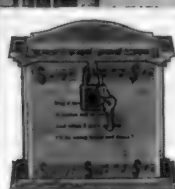
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control of the money market, banks cannot do this.

* * *

As bankers we must conduct our business and handle our customers so that the private banking system will be preserved during this period of preparing for war. The free enterprise system and our American way of life must be preserved, and bankers have the opportunity to make the greatest contribution to this end.

* * *

With threats of war, increased taxes, and further inflation, extreme care must be exercised about the collateral offered on loans. Also care should be given that loans are for purposes of sound business and not for speculation or accumulation of excess quantities of goods.

* * *

Bankers have a responsibility to advocate sound banking principles. We must try and stop excessive Government borrowing for non-essentials, waste and pure political advantage. As bankers we must serve all the people and stop worrying too much about risk assets otherwise we may well find that our Government bond portfolios are the real risk assets in all our banks.

* * *

Banks need sufficient earnings to make their dividends and at the same time build up their capital assets by adding to surplus. Interest rates on loans do not produce as much income as formerly, as loans are a small percentage of our assets. Government bonds and municipal bonds show low yields, so it is more of a problem today than it was 20 years ago, when rates were

much higher. Salaries are much more and other expenses continue to climb.

* * *

Too many banks are loaded down with officers who do very little actual work and draw large pay, and expect other personnel to manage the bank on small pay. This leads to a large turnover and excess of overhead which must be met by making loans and investments which are not first grade, and in the long run, John Q. Public gets service at a very high price.

The same problem is faced by the

nation, too many bosses at high salaries and doing very little actual work and spending money in a wasteful and unwise manner.

* * *

Bankers should broaden the base of their customer contacts by increasing service to individuals of all types, so as to secure general public good will toward the business of banking.

The chief problem we face as a nation is one of doing as good a job selling the free enterprise system as we have in selling the products of that system. The combating of the

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(Gruff voice) "... and, Miss Jones, put through a 50 percent raise for Johnny who has been doing such fine work"





In Washington, General Grant was President.

At Promontory Point, near Ogden, Utah, two great railroads were joined, uniting the Atlantic and Pacific Oceans. (One of the locomotives in that historic picture was built here in Paterson.)

In Paterson, N. J., townspeople welcomed the opening of the only savings bank in the community—The Paterson Savings Institution.

During the 81 eventful years since 1869, Paterson has kept pace with the growth and progress of America. And Paterson's only savings bank has developed from modest beginnings to a point where its facilities, as the Paterson Savings and Trust Company, now include every modern banking and trust service for industry and business as well as individuals.

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trend toward socialism by a positive rather than a negative approach is, in my opinion, our biggest job.

* * *

The extension of credit is the main task of banks—that is to extend it where needed and where it can be done with satisfactory security and without any Federal guaranty.

* * *

To date no economic radar has been discovered to penetrate the future. Intrinsic doctrines of sound government and proper fiscal policies are more essential today than ever.

The problem of finding statesmen instead of "yes" men is the great problem of this nation.

* * *

As a nation we must return to the basic principles of sane government.

Our present spendthrift policy with no thought of economy or statesmanship—merely playing politics—is bound to lead to disaster if it has not already done so. The problem, therefore, must be to get leaders who can and will build up our domestic defensive policies and strengthen our foreign policy so that we shall never again make the blunders that we have been making since Pearl Harbor.

* * *

Our nation is being ruled by politicians, not by real leaders and somehow we must all realize that we want consecrated men, also women, in places of responsibility. We spend years training men and women for important posts in business but demand only vote-getting ability from government officials. Or even worse, they need only be a friend of one of our top men.

* * *

Today the Government is spending more than it takes in and this is poor financing, whether it be by an individual or the Government. Every fourth dollar today goes for taxes and the debt is increasing, and the dollar is shrinking in value all the time. Let's have leadership that will run the Government on sound business principles.

* * *

Bankers, together with all business and labor leaders, must find a way to take the "boom or bust" out of our economy.

I know of no way to do it except through competent planning of a character to inspire with confidence

the producer, the consumer and the banker who finances both. Government alone cannot do this planning and enable us to preserve our political and civil liberties. The planning will have to be done by financial, business, and labor statesmanship with the Government helping where it can.

* * *

We must prevent the Government from nationalizing the banking system either directly or indirectly. The only way to stop the trend toward nationalization is to teach the people the fact that politics and banking do not mix.

* * *

We face today the continuous encroachment by the Federal Government upon our means of livelihood—the lending of money. We should continue to oppose legislation expanding Federal lending agencies and prove they are not needed by adopting a progressive, realistic lending policy.

* * *

We need a very strong character in the White House in the immediate years ahead, in order to check the apparent trend. The lesson of the past 18 years is one of successful office holding and reckless management and spending. I hope the two do not go hand in hand, although there is evidence to the contrary.

* * *

Threat of Government control is uppermost among current problems. We, of course, have this to some extent at the present time but I believe that if conditions continue in the same direction as they have in the last several years, the eventual move that will be made by present Government in Washington will be taking over the banks of the country.

* * *

The continuous encroachment of the Government into the field of private banking is a grave danger.

There always have been and always will be people who believe the Government should furnish them with necessary funds for their questionable ventures and it seems that the Government thinks these people are being spurned by the banks and need their help. We believe local banks are the better judges and that Government should confine itself to government.

Better government is our greatest need. We have gotten away from our old and tried conception of the people supporting the Government and it is now a question of the Government's supporting the people. Too many folks are standing with their hand outstretched expecting to be taken care of. We need bigger men in Government—men who will forego their petty politics and truly govern.

* * *

How can banks maintain earnings from assets which are gradually being dissipated by inflationary trends and by Federal income taxes which now appear to be increasing through the necessity of rearmaments and the possibility of war?

For several years all banking institutions will be faced with a serious investment problem and the possibility of declining commercial and mortgage loans because of restrictions, allocations and curtailments by the Federal Government.

This, moreover, may lead to Federal Government supervision on a scale that now does not exist. The



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mounting Government debt from deficit financing, which is now with us, will cause either a large increase in Government holdings by commercial banks, if the Government turns to them for the deficit financing, or an absorption of individual savings by the Government through the sales of Savings Bonds to the public with the consequent restriction in growth of savings bank institutions. * * *

Of basic concern to me is the low standard of political morals of our Government; due in part to ignorance and lack of interest on the part of the voters. There is little respect for the property rights of individuals of moderate or large means and many politicians work to obtain votes, even by bad legislation, and irrespective of the eventual damage to the nation's economy. * * *

Many of us feel the situation today would not be so critical but for the many mistakes made by our own leaders beginning with the secret agreements at Yalta.

Most of our trouble can be summed up as lack of real leadership, but in spite of this our problem is to do the immediate job of preparing for our own defense as quickly and economically as possible. Our job as bankers, of course, is to make every contribution possible, as we did during the last war. It will be up to us to assist in many ways, including rationing programs, bond drives, and in other ways. * * *

The chief problem we face today

"The vice-president of a big bank having to do homework just like junior!"



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as a nation is how to get honesty and integrity in government. It is essential that this be answered in order to formulate a sound domestic policy and tie this in with a realistic foreign policy. The lack of integrity is destroying public morals and degrading the character of the people.

* * *

Serious grounds for worry are our tremendous debt, unnecessary expenditures by the Federal Government, taxes and Government competition.

Add to this a large degree of incompetence in our Government and the attempt at this time to carry on too many social reforms. The cost of these together with the enormous war costs cannot help but greatly increase inflation and cheapen our dollar.

* * *

We should come to a realization of the terrible errors of the so-called welfare state, which heads inevitably towards socialism and destruction of the freedom of the individual. To my mind our dangers from within are much more threatening than our dangers from without, and if we can possibly strengthen ourselves internally, our external opponents will soon shrivel up.

* * *

Our Government needs more men of integrity and ability to run the country's affairs wisely and well. The increased importance of government in every phase of our lives requires that the various elements be run by competent people, rather than by politically-minded opportunists. As the war comes closer and more and more money must be spent on preparing for it, this problem becomes increasingly acute.

* * *

Our big task is to recapture the business of guiding the financial problems of individuals and the nation. The Government is in the banking business. This is an indictment of bankers. If something isn't done by the bankers to recapture their profession, eventually there will be no individual banks.

The nation needs leadership. Never before did the people of this country feel greater need for leadership in which they could have complete confidence. This country was built up on the theory of private enter-

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prise. Many of its citizens still strongly advocate this system, and they need a leader who has the ability and the integrity to oppose effectively those who would have our Government go socialistic.

* * *

The nation must be educated to

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demand that our political and other leaders become real statesmen. We must elect statesmen rather than small and narrow politicians.

* * *

The chief problem we face as bankers is the financing of our New

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THE MARTIN COUNTY NATIONAL BANK of FAIRMONT

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Deal and war-minded Government. Until we get them out of Washington our financial problem will grow worse.

Until we quit trying to police the world and bring our boys home we will be fighting continually. This is our nation's greatest problem now. We have gained nothing by our foreign entanglements.

* * *

Taxes, Government competition and crooked politics are the things we should be chiefly concerned with.

* * *

The menace of inflation centers in a philosophy of governmental spending beyond income. We must either tax to balance our budget or reduce expenditures, or use a combination of both. Only in this way can we stop the further dilution of our currency which, if continued, must eventually undermine the confidence of the people in their money.

* * *

The chief problem of bankers is the certainty of rising costs of operations incident to further inflation, which seems inevitable.

Excluding the international military situation, our principal national problem seems to be the growing trend toward socialism with all of the attendant evils of "Big Government" destroying the American enterprise system upon which the progress of this nation has been founded.

* * *

Inflation is a threat to which the Government is contributing by unnaturally low interest rates and long terms, and to which we bankers also contribute by too liberal extensions of consumer credit.

* * *

A continued inflationary trend will undermine the American dollar and we will be confronted with an unstable currency.

"But I'm not in a position to get married, George. I'm not working"



TIME MARCHES ON—More than 75 YEARS

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Community in **Southeast Kansas**

Capital Funds over \$400,000

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Organized 1874

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BANK LAW NEWS

(CONTINUED FROM PAGE 81)

ments as to capital, surplus, undivided profits and dividends paid. So far, only 16 banks in the country meet these requirements—c. 367.

Rhode Island savings banks may invest up to 1 percent of their deposits in eight-year first mortgage loans on Rhode Island property "suitable for residential development." The loans may not exceed the fair market value of the property—H.B. 939.

Foreign corporations wishing to exercise some but not all of their charter powers in Louisiana may now apply for certificates of limited qualification to do business. However, foreign banks may not receive such certificates if Louisiana's bank department objects—No. 349.

In Virginia notice of dissent to the merger or consolidation of any corporation must now be served within 60 days instead of three months—c. 282. The procedure for filing notice of dissent to proposed mergers in New Jersey has been changed—c. 153. A new Arizona law permits domestic and foreign corporations to merge or consolidate when the laws of the foreign state permit and when each corporation complies with applicable laws of its own state. New or surviving corporations may be either foreign or domestic and any corporation resulting from a merger shall be deemed to continue to exist under laws of the state of incorporation—c. 3.

Before a New Jersey bank may voluntarily dissolve, consent must now be obtained from holders of two-thirds rather than three-fourths of all its stock—c. 33.

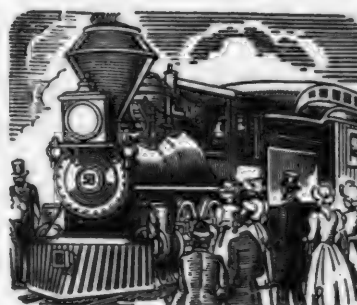
Massachusetts increased the size of personal loans which credit unions may make—c. 84. Rhode Island credit unions may lease safe deposit boxes to their members and incur only such liability from such activity as they expressly assume—S.B. 405. New York savings and loan associations with share liabilities of \$5,000,000 or more may rent to their members safe deposit boxes in which to keep securities, jewelry and valuable papers only—c. 322.

A general revision of the laws relating to cooperative banks, as savings and loan associations are known in Massachusetts, has been adopted—c. 371. That state also authorized investment of trust funds in cooperative bank and Federal savings and loan association share accounts—c. 64, 66, 162, 224.

New York has increased from \$500 to \$1,500 the maximum loan which an association may make to a member and has permitted certain associations to maintain branches—c. 13, 470, 497. South Carolina has extended the area in which they may make building loans—S.B. 557.

In the wake of the Korean crisis, Massachusetts enacted a Civil Defense Act giving its Governor broad authority in time of emergency over persons and property, including authority relative to "labor, business and work on Sundays or legal holidays" and "Protection of depositors in banks, and maintenance of the banking structure of the Commonwealth."—c. 639; Rhode Island provided that any person 17 or older may give a power of attorney to be exercised while he is in military or merchant marine service during any United States war, "declared or undeclared."—H.B. 507.

J. R. VINCENS



1858-1950

Ninety-two years ago, this firm's business was founded by Daniel and Anton Oppenheimer, who came to this country for the freedom, democracy and opportunity it offered in contrast to the older world of Europe. This was so long ago that Texas had only recently become one of the United States and the Civil War was still in the future.

This bank, which is operated by direct descendants of the founders, has always been active in fostering private enterprise. It was instrumental in the early development of ranching in Southwest Texas and a factor in the early growth of San Antonio.

This bank is a private bank. Our depositors represent a large group of able Americans, individuals and corporations. The partners of the bank address their efforts and all of their own capital along with the bank's other resources to the task of accommodating the financial needs of sound enterprise.

We believe in the representative form of government, which has always upheld mutual trust among its citizens and which, under law, has guaranteed freedom for all to secure and keep safe the fruits of their labor.

Today, on our ninety-second anniversary, we reaffirm our faith in the principles of democracy and free enterprise which has guided this country throughout its history. We have faith in the continuance of what has come to be regarded as the American way of life. We believe that the principles underlying it can and should be maintained.

D. & A. Oppenheimer

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Letter Improvement Programs and Aids

(CONTINUED FROM PAGE 59)

bank's correspondents themselves take an active and leading part in the work.

2. *Correspondence Review and Criticism.* One widely used method of maintaining correspondence standards in business firms and banks is to submit letters periodically to critical review.

Letters written in a given department are sampled (by means of extra carbons) and studied by some qualified person, who may write comments and suggestions on the copies for return to the writers. A number of specialists offer this service to business; and because of the value of concrete comments on specific letters, it is in some ways the best form of consultant service available. However, in larger banks this review and criticism can often be capably supplied by a suitably trained member of the bank's own staff.

This method, of course, is highly flexible, since the critical review can easily be followed up by individual conferences with letter-writers for discussion of special topics. Also, comments can be centered on some particular letter quality at each periodic review, which makes possible more intensive treatment. And the comments can be supplied in the form of a special report, circulated to all letter-writers in the department concerned, or even throughout the bank. In such cases, of course, individual writers are not identified; but everyone benefits by the much greater range of good and bad points than could be covered in commenting on any one man's letters.

3. *Regular Bulletins on Letter-writing.* Some firms, carrying the foregoing plan a step further and sometimes dropping the review of actual letters, have issued "letter bulletins" at regular intervals. These may be prepared by a consultant or internally; printed or stencilled, or published in the house-organ; illustrated with cartons or other material. They are most effective when they deal thoroughly with a single point in each issue, and when they offer definite suggestions and illustrations for the letter-writer's guidance. Such bulletins make a very handy reference manual, and can readily be designed for that ultimate purpose by having page numbers and index tabs.

4. *Clinics or Study-groups.* In conjunction with any other method, group study of letter-writing topics gets good results. The questions and comments brought out during such discussions can do much to stimulate interest and clear up false notions. Sample letters, chosen as vivid illustrations of a particular point, can be distributed to the group—or, if projection equipment is available, thrown on a screen. It is very easy, under such a plan, to emphasize the reader's reaction to a letter by calling for comments from the clinic members. This method of study is also likely to give rise to a healthy habit of thinking of relative values—of the letter as a whole—since the same expression, used in different contexts or situations, often presents striking differences of effect. Above all, the clinic method can readily overcome the letter-writer's natural antipathy for "text-book theory" by focusing steadily

(CONTINUED ON PAGE 138)



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Our services to correspondent banks are based on a "what-can-we-do-for-you" attitude.

We don't pretend to have ready-made answers to every one of your

problems. Rather, we have various facilities and services—as listed above—which are available to correspondent banks through an experienced staff of specialists.

Each of these specialists is available for consultation on specific bank operating or management problems. Your correspondent bank relationship with us is the only key needed to these services.

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(CONTINUED FROM PAGE 136)

on actual letters, written under practical pressures to real customers. From these first-hand specimens a reliable and workable set of principles and practices can be drawn by the honest thinking of the group itself.

References and Study Aids

The following list of materials is far from complete, but it at least suggests the wealth of publications available. A brief comment on each may help you decide whether it is the kind of thing you should look over, in the light of your own interests. There are, of course, many other materials to be had, though the list below is reasonably representative as to type. Items appear in entirely random order.

A Short Course in Business Correspondence—Dartnell Co., Chicago. A set of seven pamphlets, boxed, covering every phase of effective letter-writing. Useful in self-instruction. (Dartnell also has a carefully-planned set of meeting-guides making up a complete course in Better Letters.)

Better Bank Letters—Todd Co., Rochester, N. Y. A short and readable pamphlet distributed free by Todd and containing, in 20-odd paragraphs, most of the meat of the subject. Excellent for a quick brush-up.

Bank Letters, by W. H. Butterfield—Dahl Co., Stamford, Conn. A short, stimulating book, made up partly of pieces originally published in this magazine. Specific suggestions on many ways to increase the public-relations value of letters.

A Guide to Bank Correspondence, by Robert Morrison—Bankers Publishing Company, Cambridge, Mass. A well-organized and complete short book, notable especially for the many excellent sample letters and a good list of "words to watch."

Better Customer Relations by Letter—published by the National Association of Credit Men, New York. A collection of articles by specialists, covering all aspects of customer relations correspondence. Numerous examples, check lists, etc.

Money-making Mail—a series of eight-page pamphlets, published by the Fox River Paper Company, Appleton, Wisconsin. Very effective as supplementary material for letter courses—dressy in form, practical and detailed in content. Three published so far.

The Frailey Letter Clinic—a set of six sound film strips on better letters, prepared by a leading expert and issued through the Dartnell Corporation. Some of these units make good use of humor in highlighting the principles of effective letters.

F.P.R.A. Public Relations Memo, January 15, 1949. This issue contained a useful collection of actual sales letters used by bankers. Other letter-writing materials have also been included in these memos.

The four books listed below are among the most comprehensive and useful in the field. Anyone who is planning or setting up a letter-writing program should be familiar with them.

The Art of Readable Writing, by Rudolph Flesch—Harpers, New York, 1949. The outstanding treatment of the whole question of readability, widely used and followed by journalists, advertising men, etc.

Effective Business Writing, by Cecil B. Williams, Ronald Press, 1947. Contains first-rate reading selections as well as sound presentation of letter-writing principles, word lists, samples, and problems.

Modern Business English, Fourth Edition, by Babenroth and Parkhurst, Prentice-Hall, 1949. A leading textbook in the field—complete, well organized, full of exercises and study aids.

An Index to English—Porter G. Perrin—Scott Foresman, 1939. The most practical "handbook" of English grammar and composition for general use, alphabetically arranged for quick reference. Notably free from pedantry.



CANADA

On The March

Discovery and development of new oil fields and mineral deposits in Alberta and iron ore deposits in Northern Quebec and Labrador, added to the great expansion of her industrial, agricultural and mineral resources, have consolidated Canada's position as the 3rd largest international trading country in the world.

With this broadened economic base, with her resiliency and the character of her people, Canada is moving steadily and surely to an even greater place in North American and in world economy.

A higher level of trade between Canada and the United States is inevitable, for both countries need it, their traditional economic and political association assure it, and new military alliances further emphasize it.

Our long established, close connections with Canadian banks, with Canadian business and industry, our understanding and respect for Canadian customs and traditions provide unequalled facilities to serve our customers who do business with the Dominion or who visit Canada as her welcome guests.

NATIONAL BANK OF DETROIT

Complete Banking and Trust Service

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Fifty Banks Win Awards of Merit

FIFTY banks are among the 1,305 American and Canadian corporations being honored by *Financial World* for producing informative and attractive annual reports for 1949.

In its 10th annual survey of annual reports, the magazine states that almost 5,000 reports were examined. The 50 banks will receive "Highest Merit Award" citations. From these, the "Best of Industry" will be selected in each of three cate-

gories: national banks, trust companies, savings banks.

The award winners are:

NATIONAL BANKS

Bank of Nova Scotia, Halifax, N. S.
Bank of Warwick, Hilton, Va.
City National Bank, Kansas City
Chase National Bank, New York
Commercial National Bank, Peoria, Ill.
Corn Exchange National Bank, Philadelphia
First National Bank, Miami
First National Bank, Houston

First National Bank, Palm Beach
First National Bank, Phoenix
First National Bank, Portland, Oreg.
First National Bank & Trust Co., Tulsa
Hempstead Bank, Hempstead, N. Y.
Imperial Bank, Toronto
Merchandise National Bank, Chicago
Merchants National Bank, Meadville, Pa.
Milwaukee County Bank, West Allis, Wis.
National Bank of Tulsa
National Bank & Trust Co., South Bend, Ind.
Northwest Bancorporation, Minneapolis
Old National Bank, Evansville, Ind.
Peninsula National Bank, Cedarhurst, N. Y.
Provincial Bank, Montreal
Rapid City National Bank, South Dakota
Republic National Bank, Dallas
Royal Bank of Canada, Montreal
Third National Bank, Nashville
Transamerica Corporation
Valley National Bank, Phoenix

TRUST COMPANIES

American Security & Trust Co., Washington, D. C.
Bankers Trust Co., New York
Canada Permanent Trust, Toronto
Colonial Trust Co., Waterbury, Conn.
Detroit Trust Co.
Equitable Trust Co., Wilmington, Del.
Federation Bank & Trust Co., New York
First Security Corporation, Ogden, Utah
Guaranty Trust Co., New York
Girard Trust Co., Philadelphia
Guaranty Trust Co., Toronto
Irving Trust Co., New York
Lincoln-Rochester Trust Co., Rochester, N. Y.
Savings Banks Trust Co., New York
Stamford Trust Co., Stamford, Conn.
Union Trust Co., Springfield, Mass.
Union Trust Co., Washington, D. C.

SAVINGS BANKS

Brooklyn Savings Bank
Community Savings Bank, Rochester, N. Y.
Manhattan Savings Bank, New York
Schenectady Savings Bank

A special practice golf ball flies only 30 feet. Sounds like our regular ball.

A luxury is anything that costs more to sell than to make.

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Capital . . .

AERICAN SECURITY offers correspondents the services of a leading institution — your assurance of maximum efficiency and dependability.



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MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION
MEMBER FEDERAL RESERVE SYSTEM
WASHINGTON, D. C.
DANIEL W. BELL, *President*

STATE BANK and TRUST COMPANY

Evanston, Illinois



A bank which has served Evanston and the North Shore continuously for over 75 years, in good times and bad, in peace and war.

Member Federal Reserve System — Federal Deposit Insurance Corporation

How Auditors Can Help Directors

(CONTINUED FROM PAGE 47)

it. Every bank in the country has or should have in its library a copy of the membership list of the American Institute of Accountants, the national professional body of certified public accountants. The American Institute of Accountants has strict rules of professional conduct for its more than 15,000 members, of whom all who offer themselves for membership must be certified public accountants, which means that they have received official recognition of their practical and theoretical knowledge and experience.

CPAs Are Trustworthy

Any client may feel secure in disclosing his innermost secrets to a member of the American Institute of Accountants, such as names of borrowers, rates of interest charged to various accounts, confidential information in the credit files, salaries and bonuses paid to personnel, and any other information classified as "top secret." Any member of the American Institute of Accountants or the various state CPA societies violating the Rules of Professional Ethics or Conduct may be called for trial by a committee of his fellow members and, if the offense is serious, be publicly admonished or even suffer the risk of expulsion and have his certified public accountant's certificate revoked.

A final question is the date upon which the directors' examination should be commenced. The ideal situation would be to have this examination and that of the regulatory body so timed and spaced throughout the year that protection would be derived from no fewer than two thorough surprise examinations.

You never lose by being polite, but some persons still won't take the risk.

Even the ass in Biblical times didn't take 30 minutes to introduce the after-dinner speaker.

An active mind in an active body adds to life, especially for a pedestrian.

September 1950

THE STAMFORD SAVINGS BANK

Incorporated 1851

STAMFORD, CONNECTICUT

OFFICERS

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ODBERT P. WILSON
Vice Pres.

CLARENCE W. VAIL
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ERNEST M. LOFGREN, *Secretary*

GOLIDA ZWART TAUB
Asst. Secretaries

J. HOWARD BOGARDUS
President

HAROLD V. BOSSA
Vice Pres. & Treas.

KENNETH L. AUSTIN
Asst. Treas.

RICHARD C. ANDERSON

DEPOSITS \$23,918,800

DEPOSITORS 21,369

99 YEARS of SERVICE

Deposits in this Bank are Guaranteed in full by

The Savings Banks' Deposit Guaranty Fund of Connecticut, Inc.



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George R. Beach, President, of

THE PROVIDENT INSTITUTION FOR SAVINGS IN JERSEY CITY

A MUTUAL SAVINGS BANK
THE OLDEST IN NEW JERSEY
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MEMBER F. D. I. C.

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SYSTEM

FEDERAL DEPOSIT
INSURANCE CORPORATION

Policing Corporation Accounts

This statement of policy is issued by the Bank Management Commission of the American Bankers Association, the chairman of which is JAMES H. KENNEDY, vice-president and cashier, Philadelphia (Pa.) National Bank.

AN increase in the number of checks issued by corporations which contain special conditions under which they will be paid has caused the Bank Management Commission of the American Bankers Association to again give atten-

tion to this subject. At its recent meeting in Dallas, Texas, the Commission reaffirmed its statement of policy on this subject which was issued in 1944.

This problem arises out of the practice of corporations' requesting banks to police their accounts. This policing assumes several forms, of which the following examples (actually reported by banks) are a few:

(1) Checks up to \$500 require only one signature; those over that amount require two.

(2) Certain officers of the corporation may sign checks up to a certain amount, while different officers must sign checks above that amount.

(3) A wire must be sent the head office of the company if the local branch doesn't make a deposit each day.

(4) Restriction on the nature of funds that a bank may credit to an account.

(5) A clerk of the corporation may sign checks not over \$15 payable to specifically designated individuals or companies, but these checks must come into the bank through a deposit or the clearinghouse. They must not be cashed.

(6) Checks up to \$5,000 marked "S.W." may be signed by the manager.

(7) Any checks drawn to the order of "cash" may not be charged against the account.

(8) Drafts drawn by branch offices against regular account are not to exceed a specified amount.

(9) Checks in specified series are void if voucher is detached.

(10) All checks drawn over a specified amount must be signed manually; a facsimile signature will not be accepted.

(11) Company must be advised by telephone before bank pays checks over a specified amount.

(12) Bank is restricted in paying checks over a stated date limit, a restriction usually connected with payroll accounts.

(13) Checks bearing various no-

(CONTINUED ON PAGE 144)



To modernize-

Regan-IZE

Leading bankers* know they get more style, more service, more quality for their modernization dollar when they Reganize . . . because Regan is equipped to handle every detail in bank decor.

Whether you wish to modernize your entire bank — or redecorate an office or directors' room — or add individual pieces, new drapes or floor coverings — the Regan organization offers complete resources and personnel under one roof to serve you.

When you're in New York, stop at modernization and decorating headquarters — Regan.

Let Regan show you how to modernize your bank — economically.

*Names on request.

Regan
furniture corp.

*"An Impressive Office Costs
Less Than You Think"*

MU 3-8990

270 MADISON AVE., AT 39th NEW YORK • OUR ONLY STORE



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just say...*

ACCREDITED
MANAGEMENT
ORGANIZATION

MOST PROPERTY OWNERS know that A.M.O. means experienced and competent property management... and they know, too, that no firm can display the A.M.O. emblem unless it has submitted to, and passed, a careful scrutiny of its operations, as to ability, experience and financial responsibility. That's why most property owners just say... A.M.O.

PROPERTY OWNERS — Write for a list of ACCREDITED MANAGEMENT ORGANIZATIONS nearest you. Send your request to the INSTITUTE OF REAL ESTATE MANAGEMENT, 22 West Monroe Street, Chicago 3, Ill. (Affiliated with the National Association of Real Estate Boards.)

(CONTINUED FROM PAGE 142)

tations such as:

Not valid before date shown below.

Not due before above date.

Void after 60 days.

Void after 60 days from date of check.

If presented within 30 days pay to the order of.

Void after 90 days.

Not good for an amount exceeding \$_____.

Liability

Some banks may accept an account of this kind as a convenience

to the customer without realizing the possibility of liability which it incurs if it fails to observe the instructions of the corporate resolution. This is an unwarranted liability which preferably should be avoided entirely, or, if assumed, should be limited and made the basis for special compensation.

Responsibility in the Wrong Place

A high degree of care is required by tellers and bookkeepers to comply with special instructions of this kind, where, in addition to their nor-

mal duties of checking signatures, endorsements, dates, and amounts, they must also keep in mind or check other special instructions for handling items. This responsibility should not rest on the bank's employees. Instead it should rest on the corporation's own officers or employees.

No Insurance Coverage

There is also the question of insurance coverage. Here a bank is at a disadvantage because it cannot protect itself against loss by insurance against unauthorized signatures, whereas a corporation can. A corporation's fidelity bond protects it against loss from misappropriation of funds by its own officers and employees whether or not it has limited in any way their power to sign checks. On the other hand, the forgery clause of a bank's blanket bond covers *forged* signatures and endorsements or raising of amounts, but the fidelity insuring clause does not protect it against losses through honest mistakes of its officers or employees, such as the payment of a check in excess of the limit allowed the corporation's signing officers.

Recommendation

The Bank Management Commission believes in the general principle that the responsibility and liability as to risk should rest primarily upon the originators of instruments and transactions. In the procedures indicated, the originators of these transactions have means of insuring or protecting themselves and the primary responsibility should rest with such organizations. However, if a bank does agree to perform such a service the Commission recommends that careful consideration should be given to limiting its liability as much as possible by special agreement. Any extra work involved in handling such types of activity should be compensated by balances or be subject to special service charge sufficient to cover the additional work required in having an officer handle or supervise the account and to cover the risk taken.

Her complexion was extemporaneous. She made it up all day as she went along.

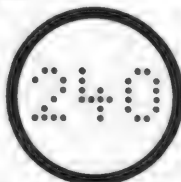
There's a bright side to everything—even an old blue serge suit.

NEW...A PAYMENT COUPON BOOK

which reproduces
Perforations as Legible as Printing

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5/16" figures so outstanding that they are easily read at 14 feet.



Many of the best known Banking Names in the Time Credit Field have adopted this ultra-modern Payment Book on sight.

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PENSIONS

• an impartial approach

Our brochure "Planning a Successful Retirement Program for Your Company" explains how we can assist you in designing or revising a pension program. We operate as actuarial consultants on a fee basis and our service is built upon years of experience working with all types of plans, self-administered, trustee, insured, profit sharing, and combinations of these. Write for a copy on your business letterhead.

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Chicago New York San Francisco Minneapolis Detroit Boston Los Angeles Pittsburgh
Seattle St. Louis St. Paul Duluth Indianapolis Portland Superior Cleveland
Buffalo Columbus Phoenix Vancouver Toronto Montreal Havana London

Production at Peak

PRODUCTION of goods is now at the peak of around 197, as compared with the prewar average of 100. A clue as to the extent of possible increase in production with present facilities is given by the all-time high for the production index which was reached in October 1943. Some war plants which were operating then have been discarded and are not now ready for operation, but the productive capacity of industry has been expanded in many fields since that time.

During the postwar years, business concerns have spent close to \$75 billion for new plants and equipment. Not all this expansion represents productive capacity for war, but it does indicate that enormous quantities of goods can be turned out to meet the needs of civilians and of government. There is little basis or justification for a widespread wave of panicky buying by consumers. Psychological forces are powerful, of course, but are likely to be temporary if they are excessive or artificially stimulated.

Business Bulletin

La Salle Extension University

Prefabs' Rapid Growth

While everybody is aware of the immensity of the building industry's growth in the past few years, many have no idea of the place the "prefabs" have made for themselves.

In 1949, 30,000 prefabricated houses were produced. This number was almost reached in the first six months of 1950 when 28,000 such houses were sold, according to estimates of the Prefabricated House Manufacturers Institute.

This large gain is attributed by the Institute to:

1. An ever wider acceptance by the general public.
2. A steady improvement in appearance and greater variety in design.
3. More and more contractors and builders becoming dealers in order to serve the low-income market.

The battle between Americanism and Collectivism is not going to be won in the academic atmosphere of the Federal courts. It is going to be won in the streets and alleys of public opinion.

—John W. Anderson

THROUGH PEACE AND WAR

Since '64



THROUGHOUT eighty-six years of changing world conditions—including four major conflicts and numerous depressions—the First National Bank of Memphis has devoted its efforts to serving constructively the Mid-South territory and its correspondents throughout the

country. Through a constant interchange of ideas with other bankers, its officers have kept themselves well posted and alert to economic changes, as well as the growing needs of its clients.

One of the greatest contributing factors in keeping this and other progressive banks abreast of the times has been membership in the American Bankers Association, that splendid organization which is now observing its seventy-fifth anniversary. The ABA, during the past three quarters of a century, has not only rendered invaluable aid to bankers as a clearing house of information and ideas, but has done an outstanding job of educating the public to a better understanding of banks and the private banking system. In sincere appreciation of its services and achievements, The First National Bank of Memphis takes this occasion to join with others in offering a well-deserved tribute.

The FIRST NATIONAL BANK

of Memphis

MEMPHIS, TENNESSEE

Member Federal Deposit Insurance Corporation

SERVING THE COMMUNITY
OF WOOSTER, OHIO FOR

105 YEARS

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DAVID A. TAGGART
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H. L. EDWARDS
C. E. LOEHR
E. C. DIX

**WAYNE
COUNTY
NATIONAL
BANK**

EST. 1945

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JOHN D. OVERHOLT—*Vice-President*
E. C. DIX—*Vice-President*
C. E. SHEARER—*Vice-President*
ELLIS G. CAMP—*Cashier*
MARTHA B. YODER—*Asst. Cashier*
JOHN W. LERCH—*Asst. Cashier*

MEMBER FDIC

A.I.B. Chapter Officers Conference Series

THIRTEEN American Institute of Banking chapter officer conferences have been held during the summer, the first conference having taken place in Sea Girt, N. J., on July 8, for the New Jersey chapters, with Fred Lezzus, West Side Trust Company, Newark, as chairman.

A series of chapter officer conferences is held each summer to give chapter leaders the opportunity to explore mutual problems with re-

spect to chapter administration and educational schedules and thus be prepared to start the new educational year with maximum readiness.

Other conferences were:

JULY 15:

Louisville, Kentucky, for Illinois, Indiana, Wisconsin, and Kentucky chapters, with Henry D. Ormsby, First National Bank of Louisville, as chairman.

JULY 22:

Erie, Pennsylvania, for Pennsylvania and West Virginia chapters, with John Sipple, The Marine National Bank, as chairman.

Denver, Colorado, for Colorado, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota chapters, with George Thompson, International Trust Company, as chairman.

JULY 29:

Binghamton, New York, for New York chapters, with Stewart W. Morse, City National Bank, as chairman.

Jacksonville, Florida, for Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, and Tennessee chapters, with C. Mason Ford, Federal Reserve Bank, as chairman.

Portland, Oregon, for Idaho, Oregon, Montana, Washington, Wyoming chapters, with John O. Littlehales, Jr., The United States National Bank, as chairman.

AUGUST 5:

Bridgeport, Connecticut, for Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont chapters, with Samuel Hawley, Bridgeport-Peoples Savings Bank, as chairman.

Fresno, California, for North California, Nevada, and Utah chapters, with Theodore Kinnune, Bank of America, as chairman.

Charlotte, North Carolina, for Delaware, District of Columbia, Maryland, North Carolina, South Carolina, and Virginia chapters, with Earl G. Fellows, Federal Reserve Bank, Richmond, as chairman.

AUGUST 12:

Flint, Michigan, for Michigan, and Ohio chapters, with Clifford Plumb, Merchants & Mechanics Bank, as chairman.

Phoenix, Arizona, for Arizona and Southern California chapters, with Freeman Stone, First National Bank of Arizona, as chairman.

Dallas, Texas, for New Mexico, Oklahoma, and Texas chapters, with Herman W. Kilman, Federal Reserve Bank, as chairman.

Use This Extra Reserve Account



Through the ages insurance and banking have worked side by side. Insurance has gained an intimate knowledge of the protection needs of banking. Bankers draw on this knowledge. Are you using this account? You incur no obligation by referring your property insurance problems to

THE PHOENIX-CONNECTICUT GROUP OF FIRE INSURANCE COMPANIES, HARTFORD, CONN.

Combined Statement December 31, 1949

Assets	\$218,195,440
Liabilities	63,268,050
Surplus to policyholders	64,569,075
Losses paid to December 31, 1949	462,311,853

Complete facilities for Correspondents

assure you of prompt, efficient handling of every type of banking transaction. Our extensive services are at the disposal of all banks.

CITY NATIONAL BANK

AND TRUST COMPANY of Chicago

208 SOUTH LA SALLE STREET

(MEMBER FEDERAL DEPOSIT INSURANCE CORP.)



Many a wife will agree her husband is her closest relative.

It makes a lot of difference whether you save for a rainy day or a wet night.

How EBASCO can help on plans for FINANCING and REFINANCING



When a business is to be expanded, a basic problem is HOW to get adequate capital at minimum cost. The road to the capital market is full of stumbling blocks, the greatest of which are the many procedures and regulations involved in issuing securities.

That's where EBASCO can help . . .

Ebasco's financial consultants are specialists in this field. In the past few years we have assisted clients in obtaining capital in amounts totaling more than \$1,900,000,000. The particular problem is studied and financing plans developed. Advice is rendered on appropriate methods of financing, how to file and prepare the registration statement, how to prepare the diverse material required by the SEC, how to find the proper underwriters of securities,

and how to time the marketing of the securities.

Not only do you have a sound plan for marketing securities, but executives are unencumbered by the details of financing and are able to handle their regular duties with a minimum of interruptions.

Ebasco's financing specialists will be happy to outline their services at your request. There is no obligation for preliminary discussions. Feel free to call on us.



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New Manual Outlining Salary Program for Smaller Banks

THE possibility of wage freezing legislation gives *How to Set Up a Salary Program in the Smaller Bank* a timely value not originally intended. This manual, prepared by the Country Bank Operations Commission and the Customer and Personnel Relations Department of the American Bankers Association after a two-year study of the subject, is designed to help banks set up salary programs that will give fair and

equitable compensation to their employees and to improve control over salary expenditures. One free copy of the book will be sent to each member of the A.B.A. early in September.

In a foreword to the manual, Executive Manager Harold Stonier points out that "in the larger banks experts devote their entire time to devising and improving methods that will assure equitable compen-

sation to staff members for their efforts. In the smaller banks the services of such experts are not readily available."

"In order to place some of these benefits," Dr. Stonier said, "within the reach of the smaller banks—institutions with from five to approximately 30 employees—the program contained in this booklet embodies a simplified approach to and a practical application of the methods now recognized as productive of desirable results. So far as we know, this is the first broad-scale attempt made to apply the principles of job evaluation and performance rating to the small office organization. Our hopes for its successful operation are based largely on the fact that 400 pilot banks cooperated in furnishing the factual information from which the program was designed."

The salary program manual is broken down into two main divisions—(1) general information, and (2) step-by-step procedure which includes illustrated forms and tables. The steps outlined under procedure are: (1) Job Analysis (finding out what the jobs are); (2) Job Evaluation (establishing the relative values of the job); (3) Grading (assigning evaluated jobs to grades); (4) Pricing (establishing rates for grades and jobs); (5) Performance Rating (evaluating personal performance on the job); (6) Putting

ATLANTA'S EXPANDING, SUH!

...and Georgia shows a correspondent growth!!!



ATLANTA



The rapid expansion of Atlanta and the southeast requires up-to-the-minute information. To get ALL the facts, in addition to prompt and dependable counsel upon which decisions can

be made, use the "Friendly Fulton." Regional information is readily available through our dependable correspondent bank contacts. Let us help you.

DEPENDABLE



COOPERATIVE



ARE YOU LOOKING TOWARDS PERU ...?

The promotion of Peruvian foreign trade has been one of the main objects of our bank ever since its foundation over 60 years ago. If you are interested in doing business in Peru a letter addressed to us will assure you our friendly co-operation.

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Head Office - - LIMA

58 Branches Throughout the Country

CAPITAL - S/.26,000,000.00

SURPLUS - S/.48,633,080.48

"Peru's Oldest National Commercial Bank"



"Now that I'm grown up and 21, I'd like to withdraw my savings."

the Salary Plan into Operation; and (7) Maintaining the Program.

During the time wage freezing legislation was in effect during World War II, banks that did not have a program such as is outlined in the new manual found it more difficult to obtain approval of salary increases for their employees than banks that did not have such a program. Under the regulations that were in effect at that time, the existence of a salary policy had to be established to the satisfaction of the Commissioner of Internal Revenue or the Wage Stabilization Board and the burden of proof rested upon the employer.

While it is not known what wage control legislation may be passed by Congress, banks that have adopted a program similar to the one outlined in the manual should fare better than those that have no plan should controls be reimposed.

Richard W. Trefz, chairman of the Country Bank Operations Commission, writing in the January 1950 issue of *BANKING*, outlined in considerable detail the procedure followed in making the job program

study which was the basis of the manual. Mr. Trefz is president of the Arkansas Valley Bank, Pueblo, Colorado. Joseph C. Welman, president, Bank of Kennett, Kennett, Missouri, was chairman of the special committee that developed the study. Other members of the committee were: D. L. Lawler, president, Crookston National Bank, Crookston, Minnesota; L. M. Schwartz, vice-president, Citizens State Bank, Paola, Kansas; P. A. Warner, executive vice-president, Knox County Savings Bank, Mt. Vernon, Ohio; and W. M. Willy, president, Security

Bank & Trust Company, Madison, South Dakota.

Cooperating with the Committee in making the study and in compiling the manual were the following staff members:

William Powers, deputy manager and director, Customer and Personnel Relations Department; George B. Ward, assistant director, Customer and Personnel Relations; George R. Amy, A.B.A. deputy manager in charge of the Country Bank Operations Commission; and Charles E. Betts, Jr., assistant secretary of the Commission.

Activity

"A factory with lighted windows at night and machines humming 24 hours a day, stores crowded with customers, and offices of professional men filled with clients certainly are indications of profit-making business. Banking, however, is unique in this respect. The more customers in the lobby, the greater the activity, and the more equipment used, the smaller the bank's profit unless an adequate service charge schedule is in effect. Activity in a bank is almost 100 percent expense and zero percent profit. In theory, that bank will make the most money whose depositors give it the least work—that is to say, who draw the fewest checks and seldom, if ever, come into the institution except to make an occasional deposit of currency."

JAMES H. KENNEDY, vice-president and cashier, The Philadelphia National Bank, before an A.I.B. conference.

Up-to-the-minute equipment,
night transit facilities
and an experienced staff

give added speed to the collection of your items.

**AMERICAN
NATIONAL BANK**
at Indianapolis

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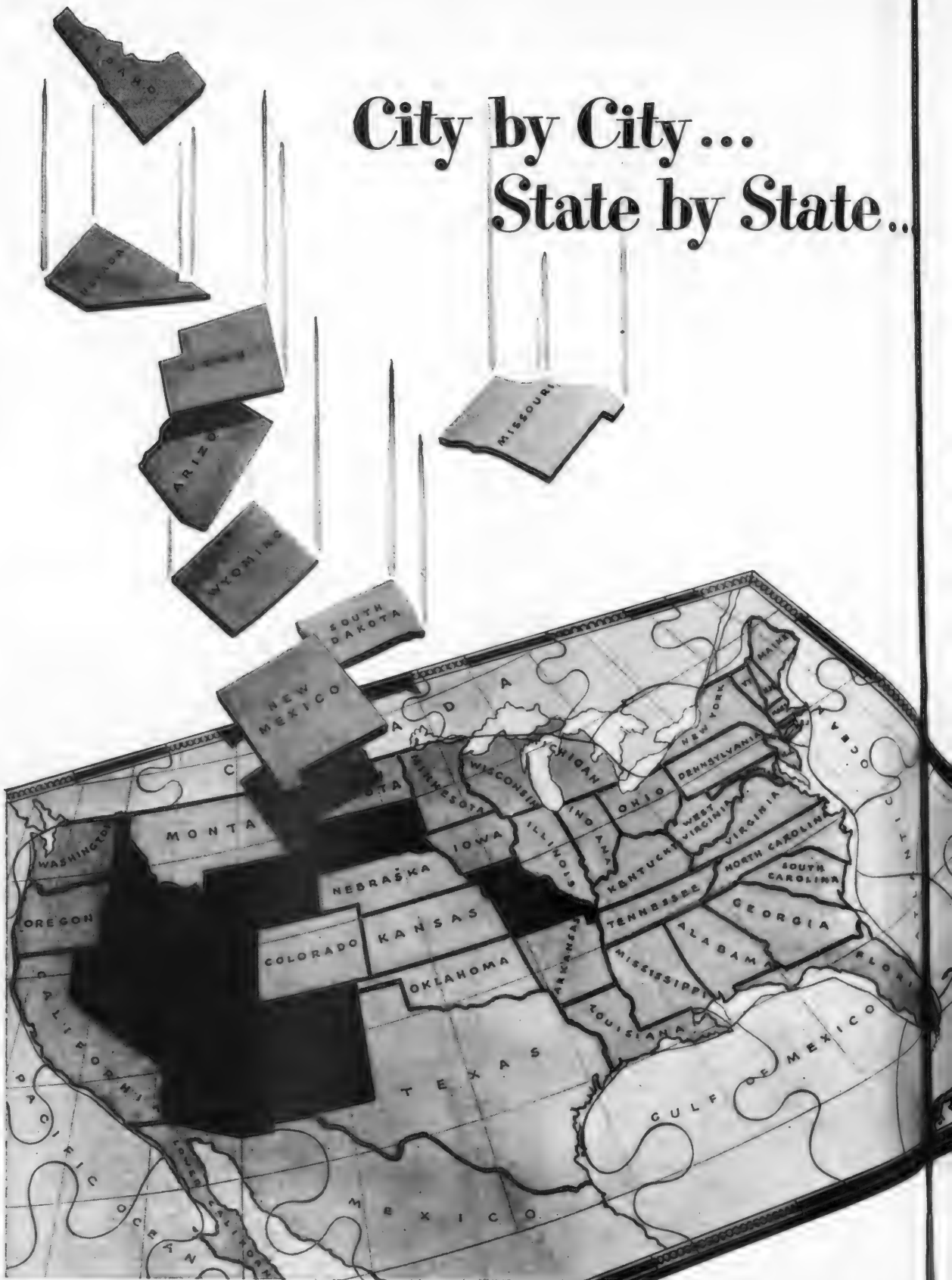
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Dollars...



Canadian Pacific
Express Company
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Travellers Cheques...and
Money Orders payable in United
States Dollars...are redeemable
at par by The National City Bank
of New York, New York.

Canadian Pacific

City by City ... State by State..



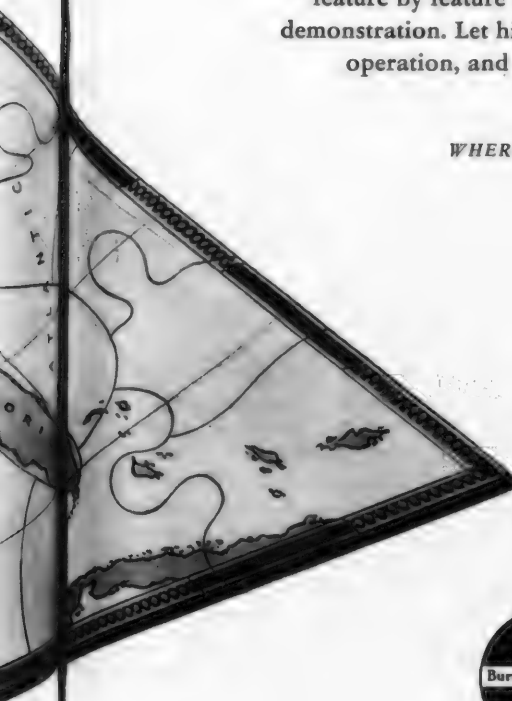
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have banks in 48 states purchased this new Burroughs?

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they wanted in their bookkeeping machines . . . features that reduce
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new speed, simplicity and efficiency to bank posting.

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feature by feature . . . phone your Burroughs representative for a
demonstration. Let him show you how it can speed up your bookkeeping
operation, and at the same time lower your bookkeeping costs.

WHEREVER THERE'S BUSINESS THERE'S **Burroughs**



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We are specialists in Mutual Investment Company shares. Thus, to banks and institutions, we offer *specialized* skill, of particular benefit in evaluating and advising on *all* Mutual Funds, not just a selected few.

Such clients may look to us for informed and impartial judgment, based solidly on our knowledge of the field, and governed by the soundest investment objectives of the individual case.

Our nationwide facilities are at your service—and at the service of your investor-customers. We can also offer an unusual opportunity to any of your friends interested in a career in Mutual Fund sales.

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\$200,000

A Friendly Bank in a Friendly Town

Organized in 1875 by local men with local capital. Under able and progressive management all the way, it has kept in tune to the needs of the territory which it serves. To its shareholders it has paid dividends in every year since 1876.

Officers and Directors

Frank A. Howe, President—Eben E. Gridley, Vice President
Stanley A. Stowell, Cashier—Ralph H. Kenney, Ass't Cashier

E. Edmund Cormier, Harry C. Gates, Herbert M. Johnson,
Leon A. Richards, Ralph E. Stowell, Howard P. Warren.

Member F.D.I.C.

AN outstanding example of a successful district promotional activity is found in the program initiated by merchants of the University District in Seattle, Washington. The program was inaugurated in 1945 under the leadership of the advertising committee of the University Commercial Club. Officials of the University National Bank have actively supported the program, and vice-president E. A. Cook is a member of the club's energetic advertising committee.

The University District, with over 300 stores and services, is one of Seattle's major outlying business districts. Promotion-minded merchants operate on a district advertising budget of approximately \$28,000 per year. This very considerable sum is raised each year exclusively by voluntary contributions of member merchants. It has paid off handsomely in increased foot traffic and sales for every retailer in the district. An additional \$6,000 is raised each year to support the community Christmas promotion.

Group Advertising

Effective group advertising has been developed in several promotional media, all advertising being handled by a Seattle advertising agency. Radio advertising was used successfully in a program named "On the Avenue with Nancy Neal." A 15-minute program broadcast once a week, it described the shopping discoveries of the fictitious Nancy in her imaginary weekly stroll up and down University Way.

Billboard advertising has been used effectively, with four showings during the most favorable shopping seasons in 1949. Newspaper advertising is concentrated mainly in the district newspaper and in the *University of Washington Daily*. Bus cards have likewise been used to good effect. In all advertising, the variety and completeness of the district's merchandising and services have been stressed. The slogan "Like a Department Store Eight Blocks Long" was coined for this purpose. Thursday evening shopping was also publicized, and the 2-hour free parking service. The most recent theme developed is brought out in the slogan, "A Pleasant Place to Shop."

166 years ago

On March 21, 1784, Alexander Hamilton gave to William Seton, cashier of the newly organizing Bank of New York, a letter to the officers of the Bank of North America in Philadelphia. Mr. Seton came on horseback to this city to draw upon the experience and advice of the country's first established bank which was chartered by the Continental Congress, December 31, 1781.

On March 10, 1812, *The Pennsylvania Company* was chartered, and soon was contributing greatly to Philadelphia's growing fame as a financial center. On June 1, 1929, both these famous Philadelphia institutions were merged under the name of *The Pennsylvania Company for Insurances on Lives and Granting Annuities*, now called *The Pennsylvania Company for Banking and Trusts*, and that original banking relationship, sponsored by Alexander Hamilton, has now lasted without interruption for 166 years.

TODAY The Pennsylvania Company takes pardonable pride in its age and the fact that many of the leaders of the American colonial era were among its clients. We have greater pride, however, in the knowledge that we have kept well abreast of all that is best in the development of banking and trust administration.



PRESIDENT

THE PENNSYLVANIA COMPANY
for Banking and Trusts • Philadelphia

Member Federal Deposit Insurance Corporation • Federal Reserve System

panned out a nickel's worth of gold," explained Mr. Webb. "Of course we hope they won't, but if they should buy worthless stock, and get stuck with it, we expect it to be a healthy lesson."

Increase in the funds through trading or other grants will become a part of the principal up to a value of \$10,000, at which point the income may be withdrawn for use in advancement of the college and its students, the agreement specifies.

Success of the experiment may warrant more money from the bank, it is indicated in the trust agreement announced jointly by Mr. Webb and Walter A. Eversman, attorney and president of the University's board of directors.

Students will make detailed analyses leading to eventual decisions for purchases or sales. The analyses will be used additionally in all finance classes. Voting members of the student governing board will make regular reports to the advisory committee of three faculty members and two members from the bank. While the advisory board will review and comment, final authority to buy or sell rests with the student board.

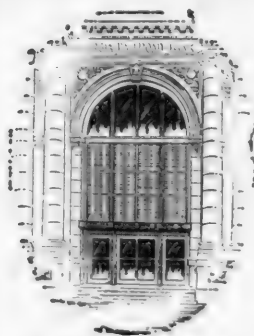
Ten associate, non-voting members will be appointed to the student board from classes in investment, corporation finance, current problems, money and banking, personal and public finance, life insurance and other sources.

To acquaint the students with the practical aspects of investment management, it is planned to supplement the classroom work with visits to the bank, at which certain phases of security handling will be explained by members of the staff.

"Well, I've lost your money!"



Glueck



A Symbol of the Progressive Spirit of the South!

For 117 years a leader in the banking field in the South. Steeped in
Southern Traditions yet modern in every respect.

Georgia Railroad Bank & Trust Company

AUGUSTA GEORGIA

MEMBER: F.D.I.C. & FEDERAL RESERVE SYSTEM

FREE TRIAL OFFER

NO OBLIGATION TO BUY

Free test for 30 days of your patrons' desire
for this convenient service.

SCHERMACK POSTAGE STATION

With no obligation to buy, we will send F.O.B. Detroit, whichever you specify, a 3-unit or 2-unit "station" as pictured. If, 30 days after the "station" has been in operation in your bank you are not convinced of its permanent worth you may return the equipment, retaining all monies earned during the test. It is understood you will pay return shipping charges to Detroit should you elect to discontinue using the equipment.

SCHERMACK

Products Corp.

Dept. S
1164 West
Baltimore Ave.
DETROIT 2
MICH.



The PLYMOUTH NATIONAL BANK

Plymouth, Massachusetts

Established 1893

Member Federal Deposit Insurance Corp.

... Serving
Albany and
Northeastern
New York State
for over 130
years ...

ALBANY SAVINGS

1820 Bank 1950

ALBANY'S OLDEST

MEMBER FEDERAL DEPOSIT INSURANCE CORP.

An OIL PORTRAIT

—of You or any member of your family—superbly painted from Life or Photographs, adds great Distinction to Home or Office. Makes a Princely Gift!

Illustrated Circular "F" on Request

AMERICAN PORTRAIT ARTISTS

Over 100 Outstanding American Portrait Painters
507 Fifth Avenue, New York 17, N. Y. ★ UN 3-4676



Ideologies in Three Dimensions

THE startling differences in the standards of living as between communism and the American free enterprise system are dramatically illustrated by two colorful, dramatic dioramas recently installed by the Central National Bank & Trust Company, Des Moines, Iowa.

Instead of dealing in abstract "isms" and philosophies, the dioramas present the differences in the two ideologies—communism vs free enterprise—by using products and services common to the humblest citizen of the United States.

One of the dioramas very dramatically points out the differences in purchasing power between the two systems. For instance, an American workman can buy a loaf of bread with only six minutes of his labor, whereas a Russian workman must toil 128 minutes to pay for the same loaf of bread.

The second diorama presents a combination of America's productive genius and capacity and standards of living as compared with



those of Russia. With only 7 percent of the world's population and 6 percent of the world's area, the United States produces 46 percent of the world's power, 56 percent of the world's steel and 61 percent of the world's oil.

While planned months in advance of their actual installation, the dio-

ramas were placed on display within less than two weeks after the outbreak of actual hostilities in Korea.

The general theme for the dioramas was developed by the public relations committee of the bank, with the actual design and execution being done by Rex Werner, art director of Trans-World Airlines.

EXPERTS IN THE RECOVERY OF AUTOMOBILES, TRUCKS AND TRAILERS

- ★ SKIP TRACERS
- ★ REPOSSESSORS
- ★ INVESTIGATORS

**COAST TO COAST
COVERAGE!**

OUR great national association, through its members, all of whom are specialized independent investigators and adjusters, offers the American Finance Conference, Banks and Insurance Companies, the best professional service obtainable.

HERE'S A TIP . . . odds are 90 to 1, if you forward your next skip or repossession assignment to an Allied Adjuster, complete, prompt and satisfactory service will result.

IF your chattel or skip is in the United States or Canada a qualified member is conveniently located for immediate action.

WRITE TODAY for a free national directory, listing each member by state and the area served.

NATIONAL ASSOCIATION OF ALLIED FINANCE ADJUSTERS

69 WEST WASHINGTON STREET; SUITE 1209, CHICAGO 2, ILLINOIS

Kansas Bankers Get Constructive Advice

SEVEN non-bankers—a housewife, attorney, school teacher, farmer, labor official, merchant, and a newspaper man—participated in a panel on "What We Think of Banks and Bankers," a feature of the 1950 Kansas Bank Management Clinic, held at the University of Kansas.

Each person was asked to offer constructive criticism and helpful suggestions for bank officers. Here are some of the points made:

On busy days (like Saturdays) have a special window for "slow traffic" (people wanting payroll cash) so that other customers who need only a moment at the teller's cage won't have to stand in line so long.

Open for business one evening a week, perhaps the evening the downtown stores are open.

Encourage thrift among children by giving away home banks.

Have a drive-in, even though it's through the alley.

The banks and teachers of government in the schools should conduct an advertising campaign to make savings and banks accounts more popular. ("Maybe we would teach young people to care about standing on their own feet instead of looking for 'gimme, gimme.'")

Get behind the 4-H clubs; they build character and better bank customers.

Encourage farmers to practice the best soil conservation methods.

Provide parking areas for customers.

Abolish the charge for cashing checks against accounts not in your bank.

Support legislation that might provide some control of loan sharks.

Make it easier for "honest working people" to get short-term credit at a bank.

Don't close at noon Saturday, the busiest day for merchants.

Don't close for conventions and legal holidays not recognized by other business places.

Bank officers making loans should have desks far enough removed from the lobby so that conversations can't be overheard.

Bankers should remember that a borrower is a customer and does the bank a favor when he borrows.

In offering investment advice, bankers shouldn't confine their rec-

ommendations to Government bonds and other fixed income securities.

Credits against activity charges should be based on average instead of lowest balance.

Banks should have available checks of all other banks in the trade territory.

Banks lack good public relations because bankers don't often express themselves.

Tell the public why you have service charges, and why loans can or cannot be made.

Make friends with the newspaper man. Tip him to news stories. He won't betray your confidence, and he tells the public your problems.

When a speech is boiled down, it isn't so dry.

January 1951 Is Just Around the Corner!



Many forward looking bank and industrial executives are doing something about their next Stockholders' Report NOW—while there is still time to plan effectively.

Bank officers and directors attending the ABA Convention are cordially invited to pay us a visit to discuss their Stockholders' Report or other types of public relations literature.

JAMES F. DRAPER & ASSOCIATES, INC.
70 WALL STREET, NEW YORK 5, NEW YORK
WHITEHALL 3-5588

Business Consultants Specializing in The Planning and Complete Production of Stockholder Reports, Brochures and Public Relations Literature

Serving

THE ANTHRACITE REGION FOR OVER SEVENTY-SEVEN YEARS AND A MEMBER OF AMERICAN BANKERS ASSOCIATION FOR MORE THAN FIFTY YEARS.

Third National Bank
AND TRUST COMPANY

120 WYOMING AVE., SCRANTON 2, PA.
BRANCH—101 S. MAIN ST., TAYLOR, PA.
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Economists Speak Up

SIXTY-FIVE economists, from every part of the United States, taking stock of the impact of the Korean war on the American economy, on August 9 urged Congress and the

executive agencies to take the following immediate anti-inflation steps:

Immediate increased taxation to cover the rise in expenditure and

to balance the Government's budget. Adequate restraints on consumer and construction finance, in addition to existing monetary authority.

"Payment of Government expenses out of income instead of the printing press, and monetary restraint on civilian consumption, together, can protect the country from the woes of inflation and thus conserve its strength for use against the evils of aggressive tyranny," the economists said.

Acted as Individuals

In issuing the joint statement, the 65 business and university economists spoke, not for their institutions, but as individuals. They felt the need to "speak up promptly and clearly" about the risks of inflation, the group maintained.

Inflation is a "grave wrong and danger" that hits hardest at "the most helpless members of society," they declared. "It causes dissension and diminishes the incentive to work. It weakens the productive system and so impairs both economic and military power. It imperils economic stability and progress in the peace for which we struggle. It is an unmitigated tragedy."

America, the economists asserted, need not suffer the "abomination of inflation." The American economy "can provide a very high standard of living and a very large increase in military outlay without degradation of the dollar."

EAST RIVER SAVINGS BANK

FIVE OFFICES IN NEW YORK

Established 1848

TRUSTEES

LOUIS B. ALTREUTER
Vice Pres., Horace S. Ely & Co.
EDWARD E. ANDERSON
Vice Pres., Discount Corp. of New York
EDWARD F. BARRETT
President, Long Island Lighting Co.
BRUCE BARTON
Chairman of the Board, Batten, Barton, Durstine & Osborne, Inc.
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Vice President and Treasurer Metropolitan Life Insurance Co.
PERCY C. MAGNUS
President, Magnus, Mabec & Reynard, Inc.
BENJAMIN PATTERSON, JR.
President, The Patterson-Sargent Co.
ANTONIO PISANI, M.D.
LESTER VAN BRUNT
Executive Vice President
WM. WHITE
President, The Delaware, Lackawanna and Western Railroad Co.
LEROY A. WILSON
President, American Telephone and Telegraph Co.

Member Federal Deposit Insurance Corporation

Established 1859

JEFFERSON COUNTY SAVINGS BANK

WATERTOWN, N. Y.

Resources over \$29,000,000.00

Member Federal Deposit Insurance Corp.

First National Bank of Ripon

WISCONSIN

Established as Bank of Ripon February 1, 1856.

National Charter No. 425 Issued May 16, 1864.

Resources \$7,000,000.00

Member FDIC

UNEXCELLED

—for your
Southwestern
Business

CAPITAL,
SURPLUS and
UNDIVIDED
PROFITS
over
\$30,000,000

Largest in
the South



REPUBLIC NATIONAL BANK
of DALLAS

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

New M.P. Jr. COIN CHANGER

Now Used by
Progressive
Bankers
Throughout
the
United
States



Speed plus
Accuracy

the MODERN STREAMLINED CHANGER

Here's beauty and utility combined. Dress up your tellers' windows with the new, streamlined M. P. Jr. semi-automatic coin changer. Exclusive feature—hidden currency and check box under removable top tray. Changer holds \$125—14 to 50¢. Fast — accurate — trouble free. Durable hammer-tone gray finish. Fully guaranteed.

SMALLER

8"x10"x6 1/4"

LIGHTER

9 lbs. net

LOWER

PRICED

\$59.00

plus tax

Model with silver dollar key—
\$70 plus tax.

See Your Dealer or Write Direct to
METAL PRODUCTS ENGINEERING, INC.
4000 Long Beach Ave., Los Angeles 58, Calif.

Safeway Stores, Incorporated

Preferred and Common Stock Dividends

The Board of Directors of Safeway Stores, Incorporated, on July 27, 1950, declared quarterly dividends on the Company's \$5 Par Value Common Stock and 5% Preferred Stock.

The dividend on the Common Stock is at the rate of 50¢ per share and is payable October 1, 1950 to stockholders of record at the close of business September 14, 1950.

The dividend on the 5% Preferred Stock is at the rate of \$1.25 per share and is payable October 1, 1950 to stockholders of record at the close of business September 14, 1950.

MILTON L. SELBY, Secretary.

July 27, 1950.

The Isbell National Bank

OF TALLADEGA, ALABAMA
ESTABLISHED 1848

100 years of banking service

Member F.D.I.C.

**BENEFICIAL
SAVING FUND
PHILADELPHIA
FOUNDED 1853**

Member F.D.I.C.

Employee Rating Factors

THE personnel department of the Marine Trust Company of Buffalo periodically requests each supervisor to complete a rating of every employee in his group. These reports provide important information which is considered for salary and promotion purposes.

The present rating report was developed recently with the assistance of a group of supervisors. As a result of their deliberation, certain factors were chosen as being of primary importance. The first five factors are related to the job.

- (1) *How much work does the employee accomplish?*
- (2) *How accurately and thoroughly is the work performed?*
- (3) *If the job requires decisions to be made, is good judgment used?*
- (4) *Is an active interest shown in the work?*
- (5) *How well does the employee get along with others?*

The other factors pertain to personal appearance and personality.

Supervisors are also graded, but by another standard. The rating sheet used for this group includes the following factors:

- (1) *Does he have ability to get out the work accurately and promptly?*
- (2) *Does he have good judgment in making decisions?*
- (3) *Is he successful in training new employees?*
- (4) *Is he outstanding in developing others for promotion?*
- (5) *Has he gained the respect and cooperation of those in his supervisory group?*

In order to obtain the maximum benefit both for the employee and for the Marine Trust Company, these ratings are discussed with the individual and are then made a part of his personnel file. If he is doing well in his work, the knowledge gratifies him and encourages him to do better. If there is possibility for improvement, the supervisor makes constructive suggestions and gives encouragement.

The result of applying this policy is mutual understanding among employees, the supervisor, and the personnel department.

IN MEADVILLE

--- a great many
People Say



COMPLETE AND
FRIENDLY
BANKING SERVICE
SINCE 1865



Member Federal Deposit
Insurance Corp.

MEADVILLE, PENNA.

WE, TOO, ARE CELEBRATING OUR

Diamond Jubilee

Located in West Branch, Iowa, where Herbert Hoover was born, we are widely known as the oldest bank in Cedar County. Our latest statement shows deposits exceeding \$1,700,000.

F. W. Hinkhouse, President, operates a farm of 1000 acres and feeds 1000 head of cattle. L. C. Rummells, Cashier, is the active head of the bank, which he has served for 31 years.

We are now in our third bank building which has recently been remodeled and redecorated. Good cattle and farm loans comprise a major part of our investments.

**FIRST
STATE BANK**

West Branch, Iowa

Member F.D.I.C.

YEARS AND EXPERIENCE DO COUNT

On September 26, 1831, and during the time Andrew Jackson was President of the United States, the Bank of Northumberland was organized as a state bank. On April 1, 1864, a national charter was obtained and the name changed to The First National Bank of Sunbury.

This bank had the unique distinction of being one of the few banks that passed through the panics of 1837 and 1857 without suspending specie payments.

Capital	\$ 400,000.00
Surplus and Undivided Profits ...	967,252.46
Deposits	14,666,237.75
Resources	16,118,212.96
Trust Department	3,523,115.93

THE FIRST NATIONAL BANK OF SUNBURY

SUNBURY, PENNSYLVANIA

Member Federal Deposit Insurance Corporation

84th YEAR in WASHINGTON, D. C.

CHARTERED BY CONGRESS JANUARY 22, 1867

NATIONAL SAVINGS AND TRUST COMPANY

Complete Banking and Trust Service

15th STREET AND NEW YORK AVENUE, N. W.

BRUCE BAIRD, *President*

MEMBER FEDERAL RESERVE SYSTEM • MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

This small but strong and modern country bank has endeavored to serve its community for over 86 years. We subscribe to this ideal.

Wallace E. Stoddard, *President*
Robert T. Arnold, *Vice President*
Franklin L. Sweeney, *Cashier*
Raymond J. Ouellette, *Asst. Cashier*
Raymond E. Molloy, *Asst. Cashier*

FIRST NATIONAL BANK OF ADAMS, MASS.

Capital \$100,000. Surplus \$200,000.

MEMBER FDIC

N. Y. Bankers Attend Agricultural School

EIGHTY-ONE bankers from 29 agricultural counties attended the New York State Bankers Association's School of Agriculture at Cornell University, Ithaca, a week-long session starting on August 14.

This was the fifth annual resident session of the New York association's agricultural school conducted on the Cornell University campus.

The two-year school is designed to provide bankers with an intensive grass roots training program on agriculture and farm management so that they will be better equipped to deal with the problems of their farm customers.

Courses of study included dairy husbandry, agronomy, poultry husbandry, vegetable growing, farm management, farm records and accounts, farm appraisal, and marketing. The curriculum combines the use of classroom instruction and field trips.

Homemakers Receive Plaques from Bankers

ITS "highest state honors" bronze plaque and 22 "chapter activity contest award" plaques were presented during annual awards night to Illinois Future Homemakers of America chapters by Melvin C. Lockard, chairman of the agricultural committee of the Illinois Bankers Association. Mr. Lockard is executive vice-president of The First National Bank, Cobden.

The presentation of the awards is part of a 10-year program initiated by the agricultural committee.

The highest state honors plaque went to Herrin Chapter for permanent possession for the best "all-around" program of work during the past year.

The 22 miniature bronze plaques were presented to the sectional winners, with the names of the winning chapters engraved on the plaques.

After a man is bald his family buys him a de luxe brush and comb set.

No one goes into better-furnished homes quicker than the fellows who collect the instalments.

Shall We Join a Cooperative?

(CONTINUED FROM PAGE 48)

cooperative you have to measure the possible savings in cost. How many families are to join in the proposition?"

"They say they want about 50."

"That's a good number. I imagine that if you went to an architect and a builder and ordered 50 houses with a limited variation in design, all to be built as a single operation, you could make an appreciable saving over what it would cost you to design and build a single house of the same character. However, if each of you is to have a special design, this saving can be quickly lost. Compared with the house you have been thinking of buying, it is doubtful that you would make little if any saving. Remember that the builder of that house has put up about 80 at a single operation, that he has carefully standardized his materials and equipment, limited the variation in design and carried the job through without interference and delay by a group of owners. On top of that he has had to shave his profit fairly thin to keep within the market. I believe a cooperative would have some trouble in competing with him on a comparable quality basis, although it's possible it might do so if everything worked out right."

"In any case the secrets of a successful cooperative are: first, an ample reserve. I'd suggest you set aside about 5 percent of the cost in addition to the down payments you might make. Second, you must have strong and competent leadership. Third, you must be willing to make individual compromises in the general interest. You simply can't run a construction job by the methods of a town meeting. And you cannot expect to get the advantages of group action unless you act as a unit. Somebody has to be in charge, and somebody has to be able to make decisions. The only successful housing cooperatives that I know about are those in which the acceptance of leadership has been just about complete after the first guiding decisions have been made."

"When all's said and done, then," Mary commented, "you don't think we'd gain very much?"

"And we'd take some extra chances?" John added.

"Yes, I think you'd be taking some extra chances. And, unless the venture is very expertly run, I think the chance of savings is very slight."

"Then what's all the talk about?" asked John, "I've

been hearing about savings of 25 percent and so on."

"That," said Mr. Brown, "could only occur by a miracle unless the Government—which is to say, all the home owners and prospective home owners and renters—should decide to set up some way of giving to co-operators especially favorable financing terms that no one else can obtain."

"As we were saying a while back on the question of interest rates, that kind of action would not really result in a real saving although, of course, it gives an advantage to those designated to benefit from it. In this case, it would simply mean spreading in one way or another a real cost over the whole body of the people for the benefit of those who choose to be cooperative owners rather than individual owners or renters. And, if everyone made the choice to be a cooperator, we'd probably be back just about where we started from, for a cost isn't eliminated just because it is spread or concealed."

Mr. Brown paused. "Have I answered your question?" he asked hopefully.

"Yes, I think you have," said Mary, "What do we do next?"

"Just what I suggested doing about 15 minutes ago," John answered. "Get on with closing a deal. We'd like to make a loan to buy our own house. Isn't that right, Mary?"

Mary nodded. Mr. Brown reached into the drawer of his desk, and drew out a long, printed paper.

"All right," he said, "Let's begin by filling out this form."



Current Milk Check Pays Loans

INSTEAD of asking dairy farmers to pay a certain number of dollars every month on production loans, or loans to buy dairy cows, the First National Bank of Lapeer, Michigan, asks that the farmer instruct the milk buyer to send his monthly check direct to the bank.


The agreement is made at the time of the loan that a certain percentage of the milk check will be

applied to a monthly payment on the loan. This percentage might be 25 percent or 33 1/3 percent, depending upon circumstances.

When the check is received from the milk buyer, the bank deducts the loan payment and credits the remainder to the checking account of the farmer borrower. The bank explains the advantage of this in an advertisement as follows:

"In case you have a dairy herd you need not commit yourself to definite repayments—you simply apply an agreed-upon portion of your total milk check. When the cows are not producing, your payments are cut down proportionately. If you can care for a bigger herd, now is a good time to add an animal or two."

Shakespeare probably turned out so much work because he didn't have to answer the telephone.



18,788,090
hens feather
a lot of
nest!

California's monthly production of over 260,000,000 eggs—means wealth—investments—credit.

Fine feathered friends are just another contributing factor to Los Angeles County's position as #1 in American agriculture—so be represented by the bank that for over 60 years helped Los Angeles agriculture and industry grow!

CITIZENS
NATIONAL SAVINGS BANK
OF LOS ANGELES

5th & Spring Streets
35 Conveniently Located Branch Offices
Member Federal Deposit Insurance Corporation

New Books

FINANCIAL REPORTS OF LABOR UNIONS. By *George Kozmetsky*. Harvard Business School, Boston. 271 pp. \$3.50. "A pioneer study of the accounting and financial reporting methods of international unions and the part financial reports can play in union administration."

GOVERNMENT AND BUSINESS. By *Vernon A. Mund*. Harper, New York. 643 pp. \$4.75. The author of this college text is professor of economics at the University of Washington. His primary purpose is to explain "the many ways in which business and economic life are shaped and directed by government—either to promote the social welfare or to enhance the business incomes of politically important groups." A comprehensive college textbook.

NATIONAL INCOME STATISTICS: 1938-1948. Statistical Office of the United Nations. Columbia University Press, New York. 249 pp. \$3.50. The statistics in this report cover 32 countries and include data received by February 1950.

HOW TO RUN A SMALL BUSINESS. By *J. K. Lasser*. McGraw-Hill, New York. 344 pp. \$3.95. The author of the how-to-make-out-your-income-tax book has produced a practical manual on how to operate a little business with dispatch and profit. Accounting, finances, insurance program, profit-building, operation, office management are among the subjects covered.

HOW

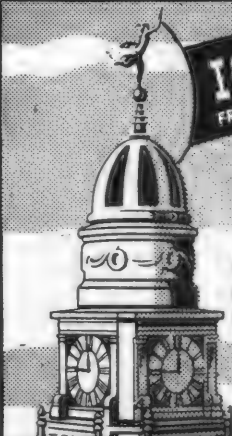


They have used the services of one of the oldest financial advertising agencies in the country for their . . .

- ANNIVERSARY MATERIAL
- DEPARTMENTAL FOLDERS
- NAME PLATES
- RADIO SPOTS
- PERSONALIZED ADVERTISING AGENCY SERVICE
- STATEMENT OF CONDITIONS FOLDERS
- STOCKHOLDER DIVIDEND MESSAGES
- TRUST FOLDERS
- YEAR END THANK YOU FOLDERS

When you need assistance with your advertising, write:

BAUDER-BAKER
incorporated
225 N. MICHIGAN AVE.
CHICAGO 1, ILLINOIS



100 YEARS
FRIENDLY SERVICE TO SAVERS

A Tower of Strength
1850-1950

CITY & COUNTY
Savings Bank

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

100 STATE STREET
ALBANY 1, N.Y.

Our 75th Anniversary, too!
AMERICAN NATIONAL BANK
TERRELL, TEXAS
Resources \$7,502,053.52
MEMBER FDIC

THE FIRST NATIONAL BANK
BLOOMSBURG, PA.
Founded Feb. 5, 1864
Geo. L. Low President Wm. Steinhart Cashier
MEMBER FDIC

ON ITS
1865 85TH 1950
BIRTHDAY

*The Southeast's Oldest National Bank
again expresses*

APPRECIATION

As The First National Bank of Atlanta passes another milestone this month, we wish to again thank our fellow bankers and other friends of the South and the nation whose friendship and favors have so materially helped us all along the way for 85 years.



*First Home • 1865
First National Bank*

Our 85 years of serving have been also 85 years of pleasure in serving. We are proud of the progress of Atlanta and the Southeast—and proud of working closely with so many other outstanding banking institutions, industrialists and individuals in the up-building of our section.

For our 86th—and all future years—we shall sincerely hope for even more opportunities to serve correspondents and customers and work with them in serving our state, section and nation. Call on us.



Member Federal Deposit Insurance Corporation

FIRST NATIONAL BANK

ATLANTA • GEORGIA

Founded 1865

THE SOUTHEAST'S OLDEST NATIONAL BANK

CAPITAL, SURPLUS AND PROFITS OVER \$14,000,000

BANKING'S ADVERTISERS

September 1950

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NAME _____

COMPANY _____

ADDRESS _____

CITY _____ STATE _____

Many Happy Returns and Good Wishes

Greetings from All the A.B.A. Members To the Oldest Banks

ON this and the following pages is a list of banks which were in existence when the American Bankers Association was founded in 1875. Names are arranged alphabetically by towns within the respective state groupings according to data in Rand McNally's Bank Directory

On the right is a map of banking institutions in the United States at about the time of the momentous event at Saratoga 75 years ago. Each dot represents five banks or a fraction. This map is reprinted from *Atlas of the Historical Geography of the United States*, published by the Carnegie Institution of Washington and the American Geographical Society of New York.



One dot for every five banks or fraction of five

ALABAMA

Robertson Banking Company	Demopolis	1870
First National Bank	Huntsville	1869
First National Bank	Mobile	1865
First National Bank	Montgomery	1871
Opelika National Bank	Opelika	1869
City National Bank	Selma	1870
Isbell National Bank	Talladega	1848
City National Bank	Tuscaloosa	1865
First National Bank	Tuscaloosa	1871

ARKANSAS

Blk Horn Bank & Trust Co.	Arkadelphia	1864
McIlroy Bank	Fayetteville	1871
First National Bank	Fort Smith	1872

CALIFORNIA

Security-First National Bank	Los Angeles	1875
Farmers and Merchants National Bank	Los Angeles	1871
Bank of Martinez	Martinez	1873
American Trust Company	San Francisco	1854
Anglo California National Bank	San Francisco	1873
Bank of California National Association	San Francisco	1864
Bank of Montreal (San Francisco)	San Francisco	1864
Crocker First National Bank	San Francisco	1870
Hibernia Bank	San Francisco	1859
San Francisco Bank	San Francisco	1868
Wells Fargo Bank & Union Trust Co.	San Francisco	1852
First National Bank	San Jose	1874
County National Bank & Trust Co.	Santa Barbara	1875
First National Trust & Savings Bank	Santa Barbara	1871
County First National Bank	Santa Cruz	1875
County First Savings Bank	Santa Cruz	1870
Stockton Savings and Loan Bank	Stockton	1867

COLORADO

National State Bank	Boulder	1874
Fremont County National Bank	Canon City	1874
First National Bank	Colorado Springs	1874
Colorado National Bank	Denver	1862
First National Bank of Denver	Denver	1865
First National Bank	Longmont	1871
First National Bank	Pueblo	1871
First National Bank in Trinidad	Trinidad	1875

CONNECTICUT

Ansonia National Bank	Ansonia	1861
Savings Bank of Ansonia	Ansonia	1861
Bridgeport-City Trust Co.	Bridgeport	1854
Bridgeport-Peoples Savings Bank	Bridgeport	1842
City Savings Bank	Bridgeport	1859
First National Bank & Trust Co.	Bridgeport	1806

Mechanics & Farmers Savings Bank	Bridgeport	1871
James Staples & Co.	Bridgeport	1874
Bristol Bank & Trust Co.	Bristol	1874
Bristol Savings Bank	Bristol	1870
Canaan Savings Bank	Canaan	1872
Chester Savings Bank	Chester	1871
Clinton National Bank	Clinton	1866
Collinsville Savings Society	Collinsville	1853
Cromwell Dime Savings Bank	Cromwell	1871
City National Bank & Trust Co.	Danbury	1854
Danbury National Bank	Danbury	1824
Savings Bank of Danbury	Danbury	1849
Union Savings Bank	Danbury	1866
Brooklyn Savings Bank	Danielson	1872
Windham County National Bank	Danielson	1822
Deep River National Bank	Deep River	1849
Deep River Savings Bank	Deep River	1851
Birmingham National Bank	Derby	1848
Derby Savings Bank	Derby	1846
Essex Savings Bank	Essex	1851
Falls Village Savings Bank	Falls Village	1854
National Iron Bank	Falls Village	1847
Farmington Savings Bank	Farmington	1851
Gulford Savings Bank	Gulford	1875
Connecticut River Banking Co.	Hartford	1825
Dime Savings Bank	Hartford	1870
Hartford-Connecticut Trust Co.	Hartford	1867
Hartford National Bank & Trust Co.	Hartford	1792
Mechanics Savings Bank	Hartford	1861
Phoenix State Bank & Trust Co.	Hartford	1814
Society for Savings	Hartford	1819
State Savings Bank	Hartford	1858
Jewett City Savings Bank	Jewett City	1873
Berlin Savings Bank	Kensington	1873
Salisbury Bank & Trust Co.	Lakeville	1874
Litchfield Savings Society	Litchfield	1865
City Savings Bank	Meriden	1874
Home National Bank & Trust Co.	Meriden	1854
Meriden Savings Bank	Meriden	1851
Central National Bank & Trust Co.	Middletown	1851
Farmers & Mechanics Savings Bank	Middletown	1858
Middletown National Bank	Middletown	1801
Middletown Savings Bank	Middletown	1825
Milford Savings Bank	Milford	1872
Moodus Savings Bank	Moodus	1870
Grcton Savings Bank	Mystic	1854
Mystic River National Bank	Mystic	1851
Naugatuck Savings Bank	Naugatuck	1870
New Britain National Bank	New Britain	1860
Savings Bank of New Britain	New Britain	1841
First National Bank & Trust Co.	New Canaan	1865
New Canaan Savings Bank	New Canaan	1859
Connecticut Savings Bank	New Haven	1857
First National Bank & Trust Co.	New Haven	1863
National Savings Bank	New Haven	1866
New Haven Bank National Banking Association	New Haven	1792

New Haven Savings Bank
 Second National Bank
 Tradesmen's National Bank
 Union & New Haven Trust Co.
 National Bank of Commerce
 New London City National Bank
 Savings Bank of New London
 Union Bank & Trust Co.
 First National Bank
 New Milford Savings Bank
 Newtown Savings Bank
 Norfolk Savings Bank
 Fairfield County Savings Bank
 Merchants Bank & Trust Co.
 National Bank of Norwalk
 Norwalk Savings Society
 Chelsea Savings Bank
 Dime Savings Bank
 Norwich Savings Society
 Uncas-Merchants National Bank
 Portland Trust Co.
 Putnam Savings Bank
 Ridgefield Savings Bank
 People's Savings Bank
 Savings Bank of Rockville
 Southington Savings Bank
 South Norwalk Savings Bank
 Southport Savings Bank
 Stafford Savings Bank
 Citizens Savings Bank
 First-Stamford National Bank &
 Trust Company
 Stamford Savings Bank
 First National Bank
 Suffield Savings Bank
 Thomaston Savings Bank
 Thompsonville Trust Co.
 Savings Bank of Tolland
 Brooks Bank & Trust Co.
 Torrington Savings Bank
 Dime Savings Bank
 Waterbury National Bank
 Waterbury Savings Bank
 Willimantic Savings Institute
 Windham National Bank
 Mechanics Savings Bank
 Winsted Savings Bank
 Woodbury Savings Bank

New Haven
 New Haven
 New Haven
 New Haven
 New London
 New London
 New London
 New Milford
 New Milford
 Newtown
 Norfolk
 Norwalk
 Norwalk
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 Norwich
 Norwich
 Norwich
 Norwich
 Portland
 Putnam
 Ridgefield
 Rockville
 Rockville
 Southington
 South Norwalk
 Southport
 Stafford Springs
 Stamford
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 Suffield
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Second National Bank
 Millikin National Bank
 National Bank of Decatur
 First National Bank of DeKalb
 Dixon National Bank
 Bank of Dwight
 Southern Illinois National Bank
 Bank of Edwardsville
 First National Bank of Elgin
 State Bank & Trust Co.
 First National Bank
 Farmers & Mechanics Bank
 First Galesburg National Bank &
 Trust Company
 Exchange Bank
 First National Bank
 State Bank of Girard
 Bradford National Bank
 Harvard State Bank
 Havana National Bank
 Montgomery County National Bank
 Elliott State Bank
 First National Bank
 Farmers National Bank
 First National Bank
 Lena State Bank
 First National Bank
 Union National Bank
 First National Bank
 National Bank of Mattoon
 First National Bank of Moline
 National Bank of Monmouth
 Second National Bank
 First National Bank
 Grundy County National Bank
 Farmers Bank
 First National Bank
 Peoples State Bank
 Oakland National Bank
 First National Bank
 Edgar County National Bank
 First National Bank
 First National Bank
 Murphy-Wall State Bank & Trust Co.
 First National Bank
 Pleasant Plains State Bank
 Port Byron State Bank
 First State Bank
 Third National Bank
 First National Bank
 Roodhouse National Bank
 Salem National Bank
 Sandwich State Bank
 First National Bank
 Springfield Marine Bank
 Union National Bank
 National Bank & Trust Co.
 First National Bank
 Busey First National Bank
 Farmers & Merchants Bank
 Washburn Bank
 Danforth Banking Company
 First National Bank
 Gary-Wheaton Bank
 First National Bank
 First State Bank

Danville
 Decatur
 Decatur
 DeKalb
 Dixon
 Dwight
 East St. Louis
 Edwardsville
 Elgin
 Evanston
 Flora
 Galesburg
 Galesburg
 Gardner
 Gilman
 Girard
 Greenville
 Harvard
 Havana
 Hillsboro
 Jacksonville
 Joliet
 Knoxville
 Lecon
 Lena
 Litchfield
 Macomb
 Marshall
 Mattoon
 Moline
 Monmouth
 Monmouth
 Morris
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 Mount Pulaski
 Nashville
 Newton
 Oakland
 Ottawa
 Paris
 Peoria
 Petersburg
 Pinckneyville
 Pittsfield
 Pleasant Plains
 Port Byron
 Red Bud
 Rockford
 Rock Island
 Roodhouse
 Salem
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 Springfield
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 Streator
 Sycamore
 Tuscola
 Urbana
 Vandalia
 Washburn
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 Waukegan
 Wheaton
 Wilmington
 Winchester

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DELAWARE

Delaware City National Bank
 Farmers Bank of the State of
 Delaware
 First National Bank
 Farmers Trust Co.
 New Castle County National Bank
 First National Bank
 National Bank of Smyrna
 Artisan's Savings Bank
 Wilmington Savings Fund Society

Delaware City
 Delaware
 Dover
 Dover
 Newark
 Odessa
 Seaford
 Smyrna
 Wilmington
 Wilmington

1849
 1807
 1855
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 1865
 1861
 1832

DISTRICT OF COLUMBIA

National Bank of Washington
 National Metropolitan Bank
 National Savings & Trust Co.
 Riggs National Bank
 Second National Bank

Washington
 Washington
 Washington
 Washington
 Washington

1809
 1814
 1867
 1836
 1872

FLORIDA

Lewis State Bank

Tallahassee

1856

GEORGIA

National Bank of Athens
 First National Bank
 Georgia Railroad Bank & Trust Co.
 National Exchange Bank
 Merchants & Mechanics Bank
 Hardwick Bank & Trust Co.
 Cobb Exchange Bank
 Milledgeville Banking Co.
 Geo. D. Warthen National Bank
 First National Bank
 Savannah Bank & Trust Co.

Athens
 Atlanta
 Augusta
 Augusta
 Columbus
 Dalton
 Marietta
 Milledgeville
 Sandersville
 Newman
 Savannah

1866
 1865
 1833
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 1869

HAWAII

Bishop National Bank of Hawaii

Honolulu

1858

IDAHO

First Security Bank of Idaho
 National Association
 Idaho First National Bank

Boise
 Boise

1865
 1867

ILLINOIS

First National Bank & Trust Co.
 First National Bank
 Verry Bank
 Ashton Bank
 Old Second National Bank
 Belleville Savings Bank
 First National Bank
 Peoples Bank
 First Bank and Trust Company
 Greene County National Bank
 Old National Bank
 Trevett-Mattis Banking Co.
 Continental Illinois National Bank
 & Trust Company
 First National Bank of Chicago
 Chicago Title & Trust Co.
 Live Stock National Bank
 Truitt-Matthews Banking Co.
 DeWitt County National Bank
 John Warren Bank
 First National Bank

Alton
 Arcola
 Armstrong
 Ashton
 Aurora
 Belleville
 Belleville
 Bloomington
 Cairo
 Carrollton
 Centralia
 Champaign
 Chicago
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 Chillicothe
 Clinton
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INDIANA

First National Bank
 First National Bank
 Camden State Bank
 First National Bank
 Elston Bank & Trust Co.
 First National Bank
 First National Bank
 First State Bank
 First National Bank
 Citizens National Bank
 National City Bank
 Old National Bank
 Peoples Savings Bank
 Salem Bank & Trust Co.
 Citizens Bank
 Greenfield Banking Co.
 Citizens State Bank
 State Bank of Lima
 First National Bank
 Indiana National Bank
 Merchants National Bank
 Citizens Trust Co.
 First National Bank
 First Merchants Nat'l Bk. & Tr. Co.
 Lafayette Savings Bank
 First National Bank & Trust Co.
 LaPorte Savings Bank
 Union County National Bank
 First National Bank
 National Branch Bank
 Marion National Bank
 First National Bank
 Merchants National Bank
 Citizens State Bank
 R. H. Nixon & Company's Bank
 Pendleton Banking Company
 Citizens State Bank
 Citizens Bank of Portland
 Peoples Bank
 First National Bank
 Second National Bank
 First National Bank
 Parke State Bank
 Rush County National Bank
 Rushville National Bank
 Shelby National Bank
 Sullivan State Bank
 Terre Haute First National Bank
 Terre Haute Savings Bank
 First National Bank

Aurora
 Bloomington
 Camden
 Columbus
 Crawfordsville
 Crawfordsville
 Crown Point
 Danville
 Decatur
 Elkhart
 Evansville
 Evansville
 Evansville
 Evansville
 Goshen
 Greenfield
 Greenfield
 Hartford City
 Howe
 Huntington
 Indianapolis
 Indianapolis
 Jeffersonville
 Knightstown
 Lafayette
 Lafayette
 LaPorte
 LaPorte
 Liberty
 Madison
 Madison
 Marion
 Michigan City
 Muncie
 New Castle
 Newport
 Pendleton
 Petersburg
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 1856
 1870
 1863
 1869
 1864

Lake City Bank
Washington National Bank
Randolph County Bank

IOWA

Avoca State Bank	Avoca
Bedford National Bank	Bedford
Citizens State Bank	Belle Plaine
Benton County State Bank	Blairstown
Exchange Bank	Bloomfield
Carroll County State Bank	Carroll
First National Bank	Centerville
Steele State Bank	Cherokee
Page County State Bank	Clarinda
City National Bank	Clinton
Clinton National Bank	Clinton
Louisa County National Bank	Columbus Jct.
Council Bluffs Savings Bank	Council Bluffs
Cresco State Bank	Cresco
First National Bank	Creston
Iowa-Des Moines National Bank	Des Moines
Valley Bank & Trust Company	Des Moines
First National Bank	Dubuque
Adair County Bank	Greenfield
Keokuk Savings Bank & Trust Co.	Keokuk
Lisbon Bank & Trust Co.	Lisbon
First National Bank	Marion
First National Bank	Mason City
Monticello State Bank	Monticello
Jasper County Savings Bank	Newton
Union Bank & Trust Co.	Ottumwa
Pella National Bank	Pella
Postville State Bank	Postville
First Trust & Union Savings Bank	Signourney
First National Bank	Traer
Waukon State Bank	Waukon
First National Bank	Waverly
First State Bank	West Branch

KANSAS

Exchange National Bank	Atchison
State Bank of Blue Rapids	Blue Rapids
First National Bank in Fredonia	Fredonia
Morrill & Jones Bank	Hawatha
Linn County Bank	LaCygne
Lawrence National Bank	Lawrence
First National Bank	Leavenworth
Exchange Bank of Schmidt & Koester	Marysville
First National Bank	Neodesha
First National Bank	Newton
First National Bank	Ottawa
Peoples National Bank	Ottawa
First National Bank	Parsons
Parsons Commercial Bank	Parsons
First National Bank	Sedan
Citizens State Bank	Topeka
National Bank of Topeka	Topeka
First National Bank	Troy
First National Bank	Winfield

KENTUCKY

Wilson & Muir, Bankers	Bardstown
Deposit Bank	Carlisle
Bank of Columbia	Columbia
First National Bank & Trust Co.	Covington
National Bank of Cynthiaana	Cynthiana
Elkton Bank & Trust Co.	Elkton
Farmers Deposit Bank	Eminence
Farmers Bank & Trust Co.	Georgetown
Planters Bank & Trust Company	Hopkinsville
E. H. Shelman & Co., Bankers, Inc.	Irvington
National Bank of Lancaster	Lebanon
Marion National Bank	Lexington
First National Bank & Trust Co.	Louisville
Citizens Fidelity Bank & Trust Co.	Louisville
First National Bank of Louisville	Louisville
Liberty National Bank & Trust Co.	Louisville
Security Bank	Louisville
First National Bank	Mayfield
Bank of Maysville	Maysville
Exchange Bank of Kentucky	Mt. Sterling
Mt. Sterling National Bank	Mt. Sterling
Citizens Bank	New Castle
First National Bank	Nicholasville
North Middletown Deposit Bank	North Middl
Farmers Bank	Owingsville
Peoples Deposit Bank & Trust Co.	Paris
First National Bank	Princeton
Madison-Southern Nat'l Bk. & Tr. Co.	Richmond
Bank of Shelbyville	Shelbyville
Farmers & Traders Bank	Shelbyville
First National Bank	Somersel
First National Bank	Springfield
Woodford Bank & Trust Co.	Versailles
Gallatin County Deposit Bank	Warsaw
Clark County National Bank	Winchester

MAINE

Auburn Savings Bank	Auburn
First-Auburn Trust Company	Auburn
Mechanic's Savings Bank	Auburn
Augusta Savings Bank	Augusta
First National Granite Bank	Augusta
Kennebec Savings Bank	Augusta
Bangor Savings Bank	Bangor
Penobscot Savings Bank	Bangor
Bath National Bank	Bath
Bath Savings Institution	Bath
First National Bank	Bath
Bethel Savings Bank	Bethel
Biddeford Savings Bank	Biddeford
First National Bank	Biddeford
York County Savings Bank	Biddeford
Brewer Savings Bank	Brewer
Brunswick Savings Institution	Brunswick
First National Bank	Brunswick

Camden National Bank
First National Bank
Piscataquis Savings Bank
Eastport Savings Bank
Franklin County Savings Bank
Gardiner Savings Institution
Gorham Savings Bank
Houlton Savings Bank
Kennebunk Savings Bank
Ocean National Bank
Androscooggin County Savings Bank
First National Bank
Manufacturers National Bank
Peoples Savings Bank
Machias Savings Bank
North Berwick National Bank
Nway Savings Bank
Canal National Bank
Maine Savings Bank
Portland Savings Bank
Rockland Savings Bank
Saco & Biddeford Savings Institution
York National Bank of Saco
Skowhegan Savings Bank
South Paris Savings Bank
Thomaston National Bank
Waterville Savings Bank

MARYLAND

Farmers National Bank
 Central Savings Bank of Baltimore
 Eutaw Savings Bank
 First National Bank of Baltimore
 Metropolitan Savings Bank
 National Central Bank
 National Marine Bank
 Safe Deposit & Trust Company
 Savings Bank of Baltimore
 Union Trust Co. of Maryland
 Western National Bank of Baltimore
 First National Bank
 Second National Bank
 Easton National Bank of Maryland
 Farmers & Mechanics National Bank
 Frederick County National Bank
 Frederick-Town Savings Institution
 Savings Institution of Sand Spring
 Central Bank of Annapolis
 Carroll County National Bank
 Union National Bank
 Washington County National Bank

MASSACHUSETTS

Abington National Bank
 Abington Savings Bank
 Athol National Bank
 South Adams Savings Bank
 Powow River National Bank
 Provident Institution for Savings in
 the Towns of Salisbury and Ames-
 bury
 Amherst Savings Bank
 First National Bank
 Andover National Bank
 Andover Savings Bank
 Arlington Five Cents Savings Bank
 Athol Savings Bank
 First National Bank
 Barre Savings Bank
 Beverly National Bank
 Beverly Savings Bank
 Boston Five Cents Savings Bank
 Boston Penny Savings Bank
 Boston Safe Deposit & Trust Co.
 Brighton Five Cents Savings Bank
 Charlestown Savings Bank
 East Boston Savings Bank
 Eliot Savings Bank
 Franklin Savings Bank of the City
 of Boston
 Home Savings Bank
 Hyde Park Savings Bank
 Institution for Savings in Roxbury
 First National Bank of Boston
 Massachusetts Savings Bank
 Merchants National Bank
 National Shawmut Bank
 New England Trust Company
 Provident Institution for Savings
 Rockland Atlas National Bank of
 Boston
 Second National Bank of Boston
 South Boston Savings Bank
 Suffolk Savings Bank for Seamen
 and others
 Union Savings Bank
 Warren Institution for Savings
 Bridgewater Savings Bank
 Home National Bank
 Brookline Savings Bank
 Cambridgeport Savings Bank
 Cambridge Savings Bank
 East Cambridge Savings Bank
 Harvard Trust Company
 North Avenue Savings Bank
 Canton Institution for Savings
 Chelsea Savings Bank
 Chicopee Savings Bank
 Chicopee Falls Savings Bank
 Clinton Savings Bank
 Cohasset Savings Bank
 Concord National Bank
 Middlesex Institution for Savings
 Newbury National Bank
 Danvers Savings Bank
 Dedham Institution for Savings
 East Bridgewater Savings Bank
 Easthampton Savings Bank

Camden	1875
Damariscotta	1864
Dover-Foxcroft	1874
Eastport	1869
Farmington	1866
Gardiner	1834
Gorham	1868
Houlton	1872
Kennebunk	1872
Kennebunk	1854
Lewiston	1870
Lewiston	1864
Lewiston	1875
Lewiston	1875
Machias	1869
North Berwick	1865
Norway	1866
Portland	1826
Portland	1859
Portland	1852
Rockland	1868
Saco	1827
Saco	1803
Skowhegan	1869
South Paris	1873
Thomaston	1825
Waterville	1869

Annapolis	1805
Baltimore	1854
Baltimore	1847
Baltimore	1806
Baltimore	1867
Baltimore	1868
Baltimore	1810
Baltimore	1864
Baltimore	1818
Baltimore	1796
Baltimore	1835
Cumberland	1811
Cumberland	1865
Easton	1805
Frederick	1817
Frederick	1813
Frederick	1825
Sandy Spring	1813
Unlontown	1871
Westminster	1865
Westminster	1810
Willamsport	1865

Abington	1861
Abington	1851
Adams	1866
Adams	1861
Amesbury	1830
Amesbury	1821
Amherst	1861
Amherst	1861
Andover	1821
Andover	1831
Arlington	1861
Athol	1861
Attleboro	1871
Barre	1861
Beverly	1801
Beverly	1861
Boston	1851
Boston	1861
Boston	1861
Boston	1861
Boston	1851
Boston	1841
Boston	1861
Boston	1861
Boston	1861
Boston	1871
Boston	1821
Boston	1781
Boston	1871
Boston	1831
Boston	1831
Boston	1861
Boston	1811
Boston	1831
Boston	1831
Boston	1861
Boston	1831
Boston	1861
Boston	1811
Boston	1831
Boston	1831
Boston	1821
Bridgewater	1871
Brookton	1871
Brookline	1861
Cambridge	1841
Cambridge	1831
Cambridge	1811
Cambridge	1861
Cambridge	1871
Canton	1831
Chelsea	1831
Chilcope	1831
Chilcope Falls	1871
Clinton	1811
Cohasset	1811
Concord	1811
Concord	1811
Conway	1811
Danvers	1811
Dedham	1811
East Bridgewater	1811
Easthampton	1811

First National Bank
First & Farmers National Bank
Sprague State Bank
Carver County State Bank
Root River State Bank
Martin County National Bank
First National Bank
First National Bank
Sibley County Bank
Lake City State Bank
Lanesboro State Bank
First National Bank
National Citizens Bank
Farmers & Mechanics Savings Bank
Northwestern National Bank of
Minneapolis
Citizens State Bank
First National Bank
First National Bank
First National Bank
Goodhue County National Bank
First National Bank
Union National Bank
Rushford State Bank
First National Bank
First National Bank
First National Bank
First National Bank
First National Bank
First National Bank
Winona National & Savings Bank
State Bank of Worthington

Blooming Prairie 1875
Blue Earth 1869
Caledonia 1875
Chaska 1870
Chatfield 1856
Fairmount 1875
Fergus Falls 1872
Hastings 1856
Henderson 1875
Lake City 1867
Lanesboro 1868
Mankato 1868
Mankato 1872
Minneapolis 1874
Minneapolis 1872
New Ulm 1875
Northfield 1872
Owatona 1866
Red Wing 1865
Red Wing 1874
Rochester 1864
Rochester 1868
Rushford 1867
St. Paul 1853
St. Peter 1857
Shakopee 1865
Stillwater 1856
Winona 1855
Winona 1875
Winona 1874
Worthington 1873

Dartmouth Savings Bank
First National Bank
Ashuelot-Citizens National Bank
Cheshire County Savings Bank
Keene National Bank
Laconia National Bank
Laconia Savings Bank
National Bank of Lebanon
Littleton National Bank
Littleton Savings Bank
Amoskeag National Bank
Amoskeag Savings Bank
Manchester National Bank
Manchester Savings Bank
Merchants National Bank
Meredith Village Savings Bank
Souhegan National Bank
Indian Head National Bank
Second National Bank
New Market National Bank
First National Bank
Newport Savings Bank
First National Bank
Peterborough Savings Bank
Pittsfield National Bank
Pittsfield Savings Bank
First National Bank
New Hampshire National Bank
Portsmouth Savings Bank
Portsmouth Trust Company
Rochester Trust Company
Rollinsford Savings Bank
Salmon Falls Bank
First National Bank
Somersworth National Bank
Somersworth Savings Bank
Citizens National Bank
Iona Savings Bank
Savings Bank of Walpole
Winchester National Bank

Hanover 1860
Hillsboro 1868
Ashuelot 1833
Keene 1804
Keene 1855
Laconia 1865
Laconia 1831
Lebanon 1829
Littleton 1871
Littleton 1868
Manchester 1848
Manchester 1852
Manchester 1865
Manchester 1846
Manchester 1853
Meredith 1869
Milford 1865
Nashua 1851
Nashua 1875
New Market 1865
Newport 1865
Newport 1868
Peterborough 1865
Peterborough 1859
Pittsfield 1851
Pittsfield 1855
Portsmouth 1824
Portsmouth 1865
Portsmouth 1823
Portsmouth 1871
Rochester 1851
Salmon Falls 1850
Salmon Falls 1851
Somersworth 1846
Somersworth 1865
Somersworth 1846
Tilton 1853
Tilton 1870
Walpole 1875
Winchester 1846

MISSISSIPPI

First-Columbus National Bank
Bank of Holly Springs
Bank of Oxford
First National Bank

Columbus 1852
Holly Springs 1869
Oxford 1872
West Point 1872

MISSOURI

Gentry County Bank
Polk County Bank
Farmers Bank
Montealeu National Bank
Bank of Carthage
Clifford Banking Co.
Boone County National Bank
Exchange National Bank
Callaway Bank
Glasgow Savings Bank
Farmers Bank
Farmers & Merchants Bank & Trust
Company
Allen Banking Company
Bank of Helen
Chrisman-Sawyer Bank
First National Bank
Exchange National Bank
Commerce Trust Company
Bank of Knob Noster
Bank of Lee's Summit
National Commercial Bank
Farmers Savings Bank
Wood & Huston Bank
Wodaway Valley Bank
Mexico Savings Bank
Mechanics Bank & Trust Co.
Monroe City Bank
Montgomery County Bank
Thornton National Bank
Zook & Roecker State Bank
Paris National Bank
Bank of Atchison County
First National Bank of St. Charles
St. Charles Savings Bank
Union Savings Bank
Boatmen's National Bank
Bremen Bank & Trust Co.
Mercantile-Commerce Bank & Trust
Company
Northwestern National Bank
United Bank & Trust Co.

Albany 1870
Bollivar 1872
Bowling Green 1875
California 1867
Carthage 1868
Clarksburg 1871
Columbia 1857
Columbia 1865
Fulton 1857
Glasgow 1854
Grandview 1863
Hannibal 1870
Harrisonville 1868
Holden 1872
Independence 1857
Independence 1874
Jefferson City 1865
Kansas City 1865
Knob Noster 1875
Lee's Summit 1868
Liberty 1867
Marshall 1870
Marshall 1874
Maryville 1868
Mexico 1861
Moberly 1872
Monroe City 1875
Montgomery City 1873
Nevada 1869
Oregon 1873
Paris 1858
Rockport 1870
St. Charles 1863
St. Charles 1867
St. Charles 1870
St. Louis 1847
St. Louis 1868
St. Louis 1857
St. Louis 1873
St. Louis 1872

NEW JERSEY

Bloomfield Savings Institution
Bordentown Banking Company
Cumberland National Bank
Burlington Savings Institution
Mechanics National Bank
Camden Trust Company
First Camden National Bank & Trust
Company
Clinton National Bank
First National Bank
National Union Bank
Harmonia Savings Bank
National State Bank
Hunterdon County National Bank
First National Bank
Union National Bank
Hackettstown National Bank
First National Bank
Hoboken Bank for Savings
First National Bank
Jersey City National Bank
Hudson City Savings Bank
Hudson County National Bank
Provident Institution for Savings
Lambertville National Bank
Long Branch Banking Company
Farmers & Merchants National Bank
Burlington County National Bank
Millville National Bank
First National Iron Bank
Morris County Savings Bank
Farmers Trust Company
Union National Bank & Trust Co.
Howard Savings Institution
National Newark & Essex Banking
Company
National State Bank
United States Savings Bank
National Bank of New Jersey
New Brunswick Savings Institution
Sussex and Merchants National Bank
Half Dime Savings Bank
Orange Savings Bank
First National Bank & Trust Co.
Paterson Savings & Trust Co.
Perth Amboy Savings Institution
Phillipsburg National Bank & Trust
Company
Plainfield Savings Bank
Princeton Bank & Trust Co.
Rahway Savings Institution
Raritan Savings Bank
Second National Bank & Trust Co.
Salem National Bank & Trust Co.
Somerville Savings Bank
Somerville Trust Co.
Farmers National Bank
First Mechanics National Bank
Trenton Banking Company
Trenton Saving Fund Society
First National Bank
First National Bank
First National Bank & Trust Co.
First National Bank

Bloomfield 1871
Bordentown 1851
Bridgeton 1871
Burlington 1857
Burlington 1839
Camden 1873
Camden 1812
Clinton 1856
Clinton 1875
Dover 1872
Elizabeth 1851
Elizabeth 1812
Flemington 1854
Freehold 1864
Frenchtown 1856
Hackettstown 1855
Hightstown 1870
Hoboken 1857
Jamesburg 1864
Jersey City 1851
Jersey City 1863
Jersey City 1851
Jersey City 1839
Lambertville 1857
Long Branch 1872
Matawan 1830
Medford 1837
Millville 1857
Morristown 1855
Morristown 1874
Mt. Holly 1814
Mt. Holly 1871
Newark 1857
Newark 1804
Newark 1812
Newark 1871
New Brunswick 1808
New Brunswick 1851
Newton 1818
Orange 1870
Orange 1854
Paterson 1864
Paterson 1869
Perth Amboy 1869
Phillipsburg 1856
Plainfield 1868
Princeton 1834
Rahway 1851
Raritan 1869
Red Bank 1864
Salem 1823
Somerville 1871
Somerville 1864
Sussex 1849
Trenton 1834
Trenton 1804
Trenton 1844
Vincentown 1864
Washington 1865
Woodbury 1856
Woodstown 1864

MONTANA

First National Bank

Missoula 1873

NEBRASKA

Fremont National Bank
Thayer County Bank
First National Bank
Otoe County National Bank
First National Bank
North Side Bank
Omaha National Bank
United States National Bank
Farmers State Bank
Schuyler State Bank
Cattle National Bank

Fremont 1871
Hebron 1874
Lincoln 1871
Nebraska City 1865
Omaha 1863
Omaha 1856
Omaha 1866
Omaha 1866
Pawnee City 1874
Schuyler 1874
Seward 1872

NEW HAMPSHIRE

Bristol Savings Bank
Connecticut River National Bank
First National Bank
Lcan & Trust Savings Bank
Merrimack County Savings Bank
National State Capital Bank
New Hampshire Savings Bank
Strafford National Bank
Strafford Savings Bank
Monadnock National Bank
Monadnock Savings Bank
Franklin Savings Bank
Gorham Savings Bank
Mason Village Savings Bank
Dartmouth National Bank

Bristol 1868
Charlestown 1824
Concord 1864
Concord 1872
Concord 1867
Concord 1853
Concord 1830
Dover 1803
Dover 1823
East Jaffrey 1865
East Jaffrey 1869
Franklin 1869
Gorham 1875
Greenville 1870
Hanover 1865

NEW MEXICO

First National Bank

Sante Fe 1870

NEW YORK

First National Bank
Albany Exchange Savings Bank
Albany Savings Bank
City & County Savings Bank
Home Savings Bank
Mechanics & Farmers Bank

Addison 1851
Albany 1856
Albany 1820
Albany 1850
Albany 1871
Albany 1811

Mechanics & Farmers Savings Bank	Albany	1855	Bank for Savings	New York	1819
National Commercial Bank & Trust Company	Albany	1825	Bank of New York & 5th Ave. Bank	New York	1784
National Savings Bank	Albany	1868	Bank of Manhattan Company	New York	1799
State Bank of Albany	Albany	1803	Bowery Savings Bank	New York	1834
Marine Midland Trust Co.	Albion	1859	Broadway Savings Bank	New York	1851
First National Bank	Amenia	1864	Brown Brothers Harriman & Co.	New York	1818
Farmers National Bank	Amsterdam	1839	Central Hanover Bank & Trust Co.	New York	1831
First National Bank	Amsterdam	1860	Central Savings Bank	New York	1859
Auburn Savings Bank	Auburn	1849	Chemical Bank & Trust Co.	New York	1824
Cayuga County Savings Bank	Auburn	1865	City Bank Farmers Trust Co.	New York	1822
National Bank of Auburn	Auburn	1817	Corn Exchange Bank Trust Co.	New York	1853
Wm. H. Seward & Co.	Auburn	1860	Dry Dock Savings Bank	New York	1848
First National Bank	Aurora	1864	East River Savings Bank	New York	1848
Ballston Spa National Bank	Ballston Spa	1838	Emigrant Industrial Savings Bank	New York	1850
First National Bank	Batavia	1864	Excelsior Savings Bank	New York	1869
Genesee Trust Co.	Batavia	1829	First National Bank	New York	1863
Beacon Savings Bank	Beacon	1866	Franklin Savings Bank	New York	1860
Fishkill National Bank	Beacon	1863	Guaranty Trust Co.	New York	1839
Binghamton Savings Bank	Binghamton	1867	Harlem Savings Bank	New York	1863
City National Bank	Binghamton	1852	Irving Savings Bank	New York	1851
First National Bank of Binghamton	Binghamton	1863	Irving Trust Co.	New York	1851
First National Bank	Boonville	1863	Laidlaw & Co.	New York	1842
First National Bank	Brewster	1874	Manhattan Savings Bank	New York	1850
Putnam County Savings Bank	Brewster	1871	Manufacturers Trust Company	New York	1812
Buffalo Savings Bank	Buffalo	1846	J. P. Morgan & Co. Incorporated	New York	1860
Erle County Savings Bank	Buffalo	1854	National City Bank of New York	New York	1812
Western Savings Bank	Buffalo	1851	New York Savings Bank	New York	1854
Manufacturers & Traders Trust Co.	Buffalo	1856	Seamens Bank for Savings	New York	1829
Marine Trust Co.	Buffalo	1850	Union Dime Savings Bank	New York	1859
Cambridge Valley National Bank	Cambridge	1865	Union Square Savings Bank	New York	1848
First National Bank	Canajoharie	1855	United States Trust Company	New York	1853
First National Bank	Candor	1863	West Side Savings Bank	New York	1863
St. Lawrence County National Bank	Canton	1869	Brooklyn Savings Bank	Brooklyn	1847
Putnam County National Bank	Carmel	1865	Brooklyn Trust Co.	Brooklyn	1866
Bank of Castle	Castile	1869	Bushwick Savings Bank	Brooklyn	1873
Catskill National Bank & Trust Co.	Catskill	1813	Dime Savings Bank	Brooklyn	1859
Catskill Savings Bank	Catskill	1868	Dime Savings Bank of Williams-	Brooklyn	1864
Tanners National Bank	Catskill	1831	burgh	Brooklyn	1860
State Bank of Chatham	Chatham	1875	East Brooklyn Savings Bank	Brooklyn	1868
Chester National Bank	Chester	1846	East New York Savings Bank	Brooklyn	1867
First National Bank	Cobleskill	1864	Fulton Savings Bank, Kings County	Brooklyn	1860
Cohoes Savings Bank	Cohoes	1851	Green Point Savings Bank	Brooklyn	1866
National Bank of Cohoes	Cohoes	1859	Kings County Savings Bank	Brooklyn	1850
First National Bank	Cohoes	1830	Lincoln Savings Bank	Brooklyn	1851
Second National Bank	Cooperstown	1852	South Brooklyn Savings Bank	Brooklyn	1872
Cortland Savings Bank	Cooperstown	1866	Williamsburgh Savings Bank	Brooklyn	1859
First National Bank	Cortland	1875	College Point Savings Bank	Flushing	1866
Marine Midland Trust Co.	Cortland	1864	Queens County Savings Bank	Jamaica	1874
National Bank of Coxsackie	Coxsackie	1865	Jamaica Savings Bank	Stapleton	1866
Cuba National Bank	Cuba	1855	Staten Island Savings Bank	Stapleton	1874
Delaware National Bank	Delhi	1839	Bank of North Collins	North Collins	1866
Greenburgh Savings Bank	Dobbs Ferry	1869	National Bank & Trust Co.	North Collins	1829
Dover Plains National Bank	Dover Plains	1865	Ogdensburg Trust Co.	Ogdensburg	1871
Lake Shore National Bank	Dunkirk	1854	First National Bank	Olean	1866
Ellenville Savings Bank	Ellenville	1869	Onelda Savings Bank	Onelda	1851
First National Bank & Trust Co.	Ellenville	1863	Onelda Valley National Bank	Onelda	1874
Home National Bank	Ellenville	1873	Wilber National Bank	Oneonta	1851
Chemung Canal Trust Co.	Elmira	1833	Bank for Savings	Ossining	1864
Elmira Bank & Trust Co.	Elmira	1853	First National Bank & Trust Co.	Ossining	1859
Elmira Savings Bank	Elmira	1869	Oswego City Savings Bank	Oswego	1864
Mechanics Savings Bank	Elmira	1834	Oswego County National Bank	Oswego	1870
Fishkill Savings Institute	Fishkill	1857	Oswego County Savings Bank	Oswego	1836
National Mohawk River Bank	Fonda	1856	First National Bank	Pawling	1849
Fort Edward National Bank	Fort Edward	1850	National Bank of Pawling	Pawling	1870
Fort Plain National Bank	Fort Plain	1839	Pawling Savings Bank	Peekskill	1859
Citizens National Bank & Trust Co.	Fulton	1853	Peekskill Savings Bank	Peekskill	1833
Fulton Savings Bank	Fulton	1871	Westchester County National Bank	Penn Yan	1869
Genesee Valley National Bank & Trust Company	Geneseo	1865	Baldwins Bank	Perry	1855
National Bank of Geneva	Geneva	1817	First National Bank	Pine Plains	1839
First National Bank	Glens Falls	1853	Citizens National Bank	Poland	1872
Glens Falls National Bank & Trust Company	Glens Falls	1851	Port Chester Savings Bank	Port Chester	1865
Fulton County National Bank & Trust Company	Glens Falls	1851	First National Bank	Port Jervis	1870
Goshen National Bank	Gloversville	1852	National Bank & Trust Co.	Port Jervis	1853
Goshen Savings Bank	Goshen	1851	Falkirk National Bank & Trust Co.	Poughkeepsie	1852
National Bank of Orange County	Goshen	1871	Farmers & Manufacturers National Bank	Poughkeepsie	1834
First National Bank	Greenport	1864	First National Bank	Poughkeepsie	1864
First National Bank	Groton	1865	Merchants National Bank & Trust Co.	Poughkeepsie	1845
National Bank of Haverstraw	Haverstraw	1875	Peekskill Savings Bank	Poughkeepsie	1830
Farmers National Bank	Hudson	1839	Poughkeepsie Trust Co.	Poughkeepsie	1874
First National Bank & Trust Co.	Hudson	1864	State Bank of Randolph	Randolph	1865
Hudson City Savings Institution	Hudson	1850	First National Bank	Red Hook	1853
Hudson River Trust Co.	Hudson	1830	Rhinebeck Savings Bank	Rhinebeck	1860
Ilion National Bank & Trust Co.	Ilion	1867	Riverhead Savings Bank	Riverhead	1872
First National Bank	Ithaca	1863	Community Savings Bank	Rochester	1869
Rhace Savings Bank	Ithaca	1868	Monroe County Savings Bank	Rochester	1860
First National Bank	Jamestown	1853	Rochester Savings Bank	Rochester	1831
National Chautauqua County Bank	Jamestown	1831	Onelda County Savings Bank	Rome	1869
Keseeville National Bank	Keseeville	1870	Rome Savings Bank	Rome	1851
National Union Bank	Kinderhook	1853	Sag Harbor Savings Bank	Sag Harbor	1860
Kingston Savings Bank	Kingston	1874	Saratoga National Bank	Saratoga Springs	1865
Roundout National Bank	Kingston	1848	Saugerties National Bank & Trust Co.	Saugerties	1859
Roundout Savings Bank	Kingston	1868	Saugerties Savings Bank	Saugerties	1871
State of New York National Bank	Kingston	1865	Mohawk National Bank	Schenectady	1807
Ulster County Savings Institution	Kingston	1851	Schenectady Savings Bank	Schenectady	1834
Bank of LeRoy	LeRoy	1838	National Bank of Schuylerville	Schuylerville	1865
Herkimer County Trust Co.	Little Falls	1833	Seneca County Trust Co.	Seneca Falls	1865
Stewart National Bank	Livingston	1871	Seneca Falls Savings Bank	Seneca Falls	1870
Farmers & Mechanics Savings Bank	Lockport	1870	State Bank of Seneca Falls	Seneca Falls	1837
Niagara County National Bank & Trust Company	Lockport	1839	National Bank & Trust Co.	Skaneateles	1869
Lewis County Trust Co.	Lowville	1863	Skaneateles Savings Bank	Skaneateles	1866
Lyons National Bank	Lyons	1865	Southold Savings Bank	Southold	1858
Farmers National Bank	Malone	1864	First Trust & Deposit Co.	Syracuse	1869
Middletown Savings Bank	Middletown	1865	Merchants National Bank & Trust Co.	Syracuse	1850
National Union Bank	Monticello	1865	Onondaga County Savings Bank	Syracuse	1855
First National Bank	Moravia	1863	Syracuse Savings Bank	Syracuse	1849
First National Bank	Morrisville	1864	Westchester County Savings Bank	Tarrytown	1853
Genesee River National Bank	Mt. Morris	1853	Manufacturers National Bank	Troy	1865
Eastchester Savings Bank	Mt. Vernon	1871	Troy Savings Bank	Troy	1823
Highland-Quassaick National Bank & Trust Company	Newburgh	1834	Union National Bank	Troy	1851
National Bank of Newburgh	Newburgh	1831	First Bank & Trust Co. of Utica	Utica	1812
Newburgh Savings Bank	Newburgh	1852	Onelda National Bank & Trust Co.	Utica	1839
Huguenot National Bank	New Paltz	1865	Savings Bank of Utica	Utica	1839
New Paltz Savings Bank	New Paltz	1871	National Bank of Vernon	Vernon	1839
			Walden Savings Bank	Walden	1872
			Wappinger Savings Bank	Wappingers Falls	1869
			First National Bank	Warwick	1864

NORTH CAROLINA

ОШО

Union Savings Bank & Trust Co.
Farmers Bank
Tiffin Savings Bank
Toledo Trust Company
First Citizens National Bank
Champaign National Bank
Citizens National Bank
Citizens Bank
Waynesville National Bank
First Wellington Bank
Clinton County National Bank &
Trust Company
First National Bank
Wayne County National Bank
Xenia National Bank
Mahoning National Bank
First National Bank

OREGON

PENNSYLVANIA

September 1950

Beneficial Saving Fund Society
Brown Brothers, Harriman & Co.
Central-Penn National Bank
Corn Exchange National Bank &
Trust Company
Fidelity Philadelphia Trust Co.
Finance Co. of Pennsylvania
First National Bank
Girard Trust Co.
National Bank of Germantown &
Trust Company
Pennsylvania Company
Philadelphia National Bank
Pennsylvania Warehousing & Safe
Deposit Co.
Philadelphia Saving Fund Society
Saving Fund Society of Germantown
and its Vicinity
Provident Trust Company of
Philadelphia
Second National Bank
Tradesmens National Bank & Trust
Company
Western Saving Fund Society
Farmers & Mechanics National Bank
Dollar Savings Bank
Farmers Deposit National Bank
Fourteenth Street Bank
Iron & Glass Dollar Savings Bank
of Birmingham
Mellon National Bank & Trust Co.
Peoples First National Bank & Trust
Company
Union National Bank
First National Bank
Miners Savings Bank
First National Bank
National Bank of Pottstown
Miners National Bank
Pennsylvania National Bank & Trust
Company
Elk County National Bank
St. Marys National Bank
National Bank & Trust Co.
First National Bank
Third National Bank & Trust Co.
West Side Bank
First National Bank
Shamokin Banking & Trust Co.
McDowell National Bank
First National Bank
National Bank of Slatington
Hamlin Bank & Trust Co.
National Bank and Trust Co.
First National Bank
First-Stroudsburg National Bank
First National Bank
First National Bank
Second National Bank
First National Bank
Wyoming National Bank
First Blair County National Bank
First National Bank of Warren
Watsonstown National Bank
First National Bank
First National Bank
National Bank of Chester County &
Trust Company
White Haven Saving Bank
First National Bank
Miners National Bank of Wilkes-
Barre
Second National Bank
Wilkes-Barre Deposit & Savings
Bank
Wyoming National Bank
First National Bank
Savings Institution of the City of
Williamsport
Williamsport National Bank
First National Bank
First National Bank
Western National Bank
York County National Bank
York National Bank & Trust Co.

RHODE ISLAND

Greenville Trust Co.
Aquidneck National Bank
Newport National Bank
Saving Bank of Newport
Pawtucket Institution for Savings
Citizens Savings Bank
Citizens Trust Company
Peoples Savings Bank in Providence
Phenix National Bank
Providence Institution for Savings
Providence National Bank
Rhode Island Hospital Trust Co.
First National Bank of Smithfield
Washington Trust Co.
Centerville National Bank
Wickford Savings Bank
Woonsocket Institution for Savings

SOUTH CAROLINA

Carolina Savings Bank
Citizens and Southern National Bank
South Carolina National Bank
First National Bank

SOUTH DAKOTA

First Dakota National Bank

TENNESSEE

First National Bank
First National Bank

Philadelphia 1853
Philadelphia 1818
Philadelphia 1866
Philadelphia 1858
Philadelphia 1866
Philadelphia 1871
Philadelphia 1863
Philadelphia 1836
Philadelphia 1814
Philadelphia 1812
Philadelphia 1803
Philadelphia 1872
Philadelphia 1816
Philadelphia 1854
Philadelphia 1865
Philadelphia 1864
Philadelphia 1847
Philadelphia 1847
Phoenixville 1872
Pittsburgh 1855
Pittsburgh 1832
Pittsburgh 1871
Pittsburgh 1871
Pittsburgh 1869
Pittsburgh 1863
Pittsburgh 1857
Pittston 1857
Pittston 1869
Plymouth 1864
Pottstown 1864
Pottsville 1828
Pottsville 1866
Ridgway 1874
St. Marys 1867
Schwenksville 1874
Scranton 1863
Scranton 1872
Scranton 1874
Selinsgrove 1864
Shamokin 1871
Sharon 1868
Sharpsville 1873
Shippensburg 1865
Slatington 1875
Smethport 1863
Spring City 1872
Strasburg 1863
Stroudsburg 1857
Sunbury 1831
Tamaqua 1865
Titusville 1865
Towanda 1863
Tunkhannock 1865
Tyrone 1874
Warren 1864
Watsonstown 1872
Wellsboro 1864
West Chester 1863
West Chester 1814
White Haven 1871
Wilkes-Barre 1863
Wilkes-Barre 1868
Wilkes-Barre 1863
Wilkes-Barre 1869
Wilkes-Barre 1829
Williamsport 1863
Williamsport 1867
Williamsport 1857
Wrightsville 1863
York 1864
York 1875
York 1846
York 1810
Greenville 1822
Newport 1865
Newport 1803
Newport 1819
Pawtucket 1836
Providence 1871
Providence 1828
Providence 1851
Providence 1835
Providence 1819
Providence 1791
Providence 1867
Slatersville 1813
Westerly 1800
West Warwick 1828
Wickford 1855
Woonsocket 1845
Charleston 1874
Charleston 1874
Charleston 1834
Greenville 1872
Yankton 1872

Brownsville Bank
First National Bank
Northern Bank of Tennessee
Cleveland National Bank
First National Bank
Park National Bank
First National Bank
First National Bank
National Bank of Commerce
Union Planters National Bk. & Tr. Co.
Milan Banking Company

TEXAS

First National Bank
Red River National Bank
First National Bank
Buchel National Bank in Cuero
First National Bank in Dallas
First National Bank of Ft. Worth
Fort Worth National Bank
First National Bank of Galveston
Hutchins-Sealy National Bank
W. L. Moody & Company
United States National Bank
First National Bank in Houston
Houston Bank & Trust Co.
Charles Schreier Bank
First National Bank of San Antonio
Groos National Bank
D. & A. Oppenheimer
Nolte National Bank
Merchants & Planters National Bank
American National Bank
Victoria Bank & Trust Co.
Victoria National Bank
First National Bank
Citizens National Bank
Citizens National Bank

UTAH

First Security Bank of Utah, N.A.
Walker Bank & Trust Co.
Zion's Savings Bank & Trust Co.

VERMONT

First National Bank
First National Bank
Vermont-Peoples National Bank
Vermont Savings Bank
Burlington Savings Bank
Farmers Trust Co.
Howard National Bank & Trust Co.
Merchants National Bank
Caledonia National Bank
National Bank of Derby Line
First National Bank
National Bank of Middlebury
First National Bank
Montpelier Savings Bank & Trust Co.
National Bank of Newport
First National Bank
Northfield National Bank
Northfield Savings Bank
First National Bank
Randolph National Bank
Richford Savings Bank & Trust Co.
Rutland County National Bank
Rutland Savings Bank
First National Bank
Merchants National Bank
Passumpsic Savings Bank
First National Bank
National Bank of Vergennes
National Bank of Newbury
Woodstock National Bank
Bennington 1863
Brandon 1864
Brattleboro 1821
Brattleboro 1846
Burlington 1847
Burlington 1870
Burlington 1849
Danville 1825
Derby Line 1851
Fair Haven 1864
Middlebury 1831
Montpelier 1865
Montpelier 1871
Newport 1875
North Bennington 1864
Northfield 1866
Northfield 1867
Orwell 1863
Randolph 1875
Richford 1875
Rutland 1864
Rutland 1850
St. Johnsbury 1864
St. Johnsbury 1875
St. Johnsbury 1852
Springfield 1863
Vergennes 1826
Wells River 1833
Woodstock 1865

VIRGINIA

Burke & Herbert Bank & Trust Co.
Citizens National Bank
First National Bank
Citizens Bank & Trust Co.
Peoples National Bank
First National Bank
Planters Bank & Trust Co.
Bank of Fincastle
National Bank of Fredericksburg
Bank of Warren
First National Bank
Loudoun National Bank
First National Bank
Lynchburg National Bank & Trust
Company
Peoples National Bank & Trust Co.
Bank of Marion
National Bank of Commerce
Seaboard Citizens National Bank
Petersburg Savings & American
Trust Company
First and Merchants National Bank
State-Planters Bank & Trust Co.
Farmers National Bank
Augusta National Bank
National Valley Bank
Farmers Bank of Nansemond
Shenandoah Valley National Bank
First National Farmers Bank

Brownsville 1869
Clarksville 1865
Clarksville 1854
Cleveland 1866
Jackson 1873
Knoxville 1872
McMinnville 1874
Memphis 1864
Memphis 1873
Memphis 1869
Milan 1873

Bryan 1873
Clarksville 1874
Corsicana 1869
Cuero 1873
Dallas 1875
Ft. Worth 1870
Ft. Worth 1872
Galveston 1865
Galveston 1854
Galveston 1874
Houston 1866
Houston 1875
Kerrville 1869
San Antonio 1866
San Antonio 1864
San Antonio 1858
Seguin 1868
Sherman 1872
Terrell 1875
Victoria 1875
Victoria 1867
Waco 1874
Waxahatchie 1868
Weatherford 1868

Ogden 1875
Salt Lake City 1859
Salt Lake City 1873

Bennington 1863
Brandon 1864
Brattleboro 1821
Brattleboro 1846
Burlington 1847
Burlington 1870
Burlington 1849
Danville 1825
Derby Line 1851
Fair Haven 1864
Middlebury 1831
Montpelier 1865
Montpelier 1871
Newport 1875
North Bennington 1864
Northfield 1866
Northfield 1867
Orwell 1863
Randolph 1875
Richford 1875
Rutland 1864
Rutland 1850
St. Johnsbury 1864
St. Johnsbury 1875
St. Johnsbury 1852
Springfield 1863
Vergennes 1826
Wells River 1833
Woodstock 1865

Alexandria 1852
Alexandria 1870
Alexandria 1864
Blackstone 1873
Charlottesville 1875
Danville 1872
Farmville 1867
Fincastle 1875
Fredericksburg 1865
Front Royal 1872
Harrisonburg 1865
Leesburg 1870
Lynchburg 1865

Lynchburg 1865
Lynchburg 1868
Marion 1874
Norfolk 1867
Norfolk 1867

Petersburg 1860
Richmond 1865
Richmond 1865
Salem 1871
Staunton 1875
Staunton 1865
Suffolk 1869
Winchester 1866
Wytheville 1873

WASHINGTON

Seattle-First National Bank
Baker-Boyer National Bank

Seattle 1870
Walla Walla 1869

WEST VIRGINIA

Kanawha Valley Bank
Bank of Charles Town
Merchants National Bank of West
Virginia at Clarksburg

Charleston 1867
Charles Town 1871
Clarksburg 1860

First National Bank
Old National Bank
Peoples Trust Company
South Branch Valley National Bank
Parkersburg National Bank
Princeton Bank & Trust Co.
Jefferson Security Bank
Wellsburg National Bank
National Bank of West Virginia
Wheeling Dollar Savings & Trust Co.

Grafton 1873
Martinsburg 1865
Martinsburg 1873
Moorefield 1863
Parkersburg 1839
Princeton 1874
Shepherdstown 1869
Wellsburg 1832
Wheeling 1817
Wheeling 1870

Rock County National Bank
Farmers & Merchants Bank
Jefferson County Bank
First National Bank
Batavian National Bank
American Exchange Bank
First National Bank
Stephenson National Bank
Bank of Menasha
First Wisconsin National Bank
Marine National Exchange Bank
Marshall & Ilsley Bank
First National Bank
First National Bank
Bank of Oconomowoc
First National Bank in Oshkosh
City Bank
First National Bank & Trust Co.
Sharon State Bank
Bank of Sheboygan
Security National Bank
Bank of Sparta
Bank of Watertown
Waukesha National Bank
First Citizens State Bank
First National Bank

Janesville 1855
Jefferson 1873
Jefferson 1858
Kenosha 1852
La Crosse 1862
Madison 1871
Madison 1854
Marquette 1874
Menasha 1870
Milwaukee 1853
Milwaukee 1839
Milwaukee 1847
Monroe 1856
Neenah 1861
Oconomowoc 1859
Oshkosh 1852
Portage 1874
Racine 1853
Ripon 1856
Sharon 1874
Sheboygan 1873
Sheboygan 1856
Sparta 1858
Watertown 1854
Waukesha 1855
Whitewater 1843
Wisconsin Rapids 1872

WISCONSIN

First National Bank
Baraboo National Bank
Old National Bank
Bank of Burlington
First National Bank of Chippewa Falls
Farmers & Merchants Union Bank
First National Bank
Citizens Bank
Wisconsin State Bank
First National Bank
First-Fond du Lac National Bank
First National Bank
Kellogg-Citizens National Bank
First National Bank
First National Bank
Merchants & Savings Bank

Appleton 1870
Baraboo 1857
Beaver Dam 1865
Burlington 1872
Chippewa Falls 1873
Columbus 1861
Columbus 1863
Delavan 1875
Delavan 1855
Elkhorn 1865
Fond du Lac 1855
Fort Atkinson 1863
Green Bay 1874
Hudson 1863
Janesville 1855
Janesville 1875

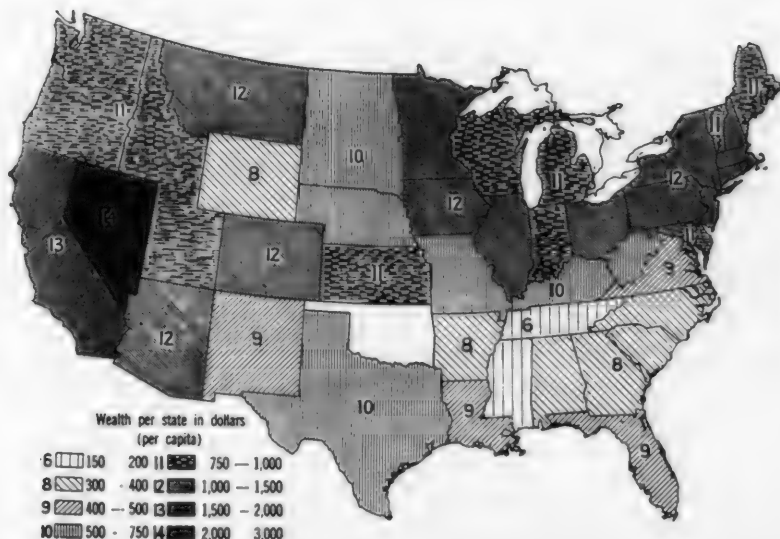
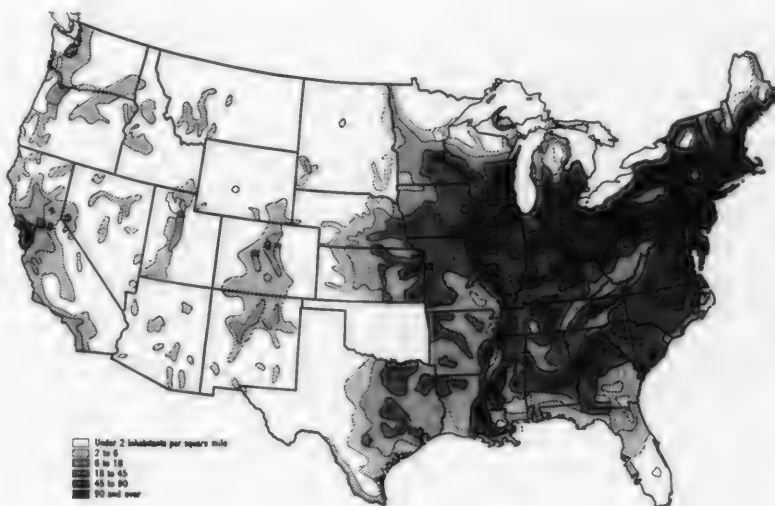
WYOMING

First National Bank

Laramie 1873

DENSITY OF POPULATION

at about the time the American Bankers Association was organized. At the present time the average density for the entire country is in the next to highest bracket shown on this map

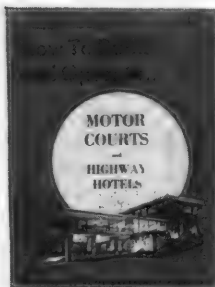


WEALTH PER STATE IN DOLLARS

about 75 years ago. This map and the one above are from *Atlas of the Historical Geography of the United States*. (See also map on page 167)

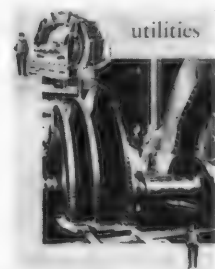
Business Aids

EACH month this column will list recent acquisitions including manufacturers' literature and other special announcements of interest to our readers—though no statement made should be regarded as an endorsement.



HOW TO BUILD AND OPERATE MOTOR COURTS AND HIGHWAY HOTELS—An 80-page booklet with many illustrations and charts covering all phases of building, equipping, and operating motor courts and highway hotels. Contains many ideas for successful businesses in this field and includes one chapter on "How to Get a Loan On Future Profits," covering the

financing available to smaller borrowers and individuals for remodeling, modernizing, or acquiring new property. Available at \$1.25 a copy from *Ahrens Publishing Company, 71 Vanderbilt Avenue, New York 17, N. Y.*



UTILITIES—A 28-page booklet illustrated by means of charts and tables discussing the investment possibilities of electric and natural gas utilities. Reviews the safety of investment, the probable income, and the growth of such companies and comments on the type which might be picked by the investor depending upon his objective. This booklet devotes 19 pages to a

review of individual companies, and capitalization, earnings, dividends, price range of the securities, and pertinent operating statistics. Write to *Merrill Lynch, Pierce, Fenner and Beane, 70 Pine Street, New York 5, N. Y.*



MODERNIZING YOUR KITCHEN-LAUNDRY—A 22-page guide to planning and financing an all-electric kitchen and laundry. Reviews five possible financing plans: "Open-end" Mortgage, FHA Title 1, three-year financing, refinancing the mortgage, and "step-by-step" modernization plans, describing each and listing its advantages. The booklet also describes several basic designs for kitchens

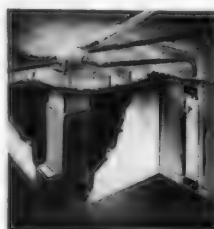
and laundries and mentions the importance of adequate wiring in the home as part of any modernizing program. This is an extremely helpful booklet for bank customers who are interested in building or modern-

izing. Single copies are offered free of charge. Additional copies are available in any quantity at 3 cents each from the *Home Bureau, General Electric Company, 1285 Boston Avenue, Bridgeport 2, Connecticut.*



THE KORDA-ROOM—A development of functional office furniture sponsored by *E. I. du Pont de Nemours and Company* has been announced and is being manufactured under license by *Korda Industries,*

New York. A movable semi-private office comprising an L-shaped desk complete with partitions, cabinets, desk drawers, bookcases, shelving and other accessories. This equipment solves the problem of space utilization, eliminates the need of permanent or semi-permanent partitions and adds to efficiency by putting all equipment within arm's reach.



BLEND-AIR—A new forced warm air heating and ventilating system for old or new homes has been announced by the *Coleman Company of Wichita, Kansas.* Completely factory-fabricated, the heating system uses 3½ inch ducts through which warm air moves at high speed, and individual mixing chambers

or blenders, containing no moving parts, in place of conventional registers. Provides a complete change of air for each room in 7½ minutes. Savings are made possible by factory-fabrication and the system can be installed in older homes with a minimum of cutting and alterations.



A STUDY OF INDUSTRIAL RETIREMENT PLANS—A 120-page study including the plans of approximately 250 companies covering 3-million employees. The volume contains a section on union-negotiated plans charting the trend in this category of pension agreements and also covers employee unilateral plans. The plans included in this study are a representative

group believed to be typical of the pattern of the nation's privately administered industrial retirement plans and show increasing coverage of all employees rather than merely salaried employees, a trend gaining momentum over the last five years. Available from *Bankers Trust Company, 16 Wall Street, New York 15, N. Y.*



To YOU, Mr. Employment Manager

When consideration is being given to a new plant site, the matter of available labor and office personnel is of considerable interest to the Employment Manager. One of many advantages offered by the western territory served by the Union Pacific Railroad is the supply of high-grade workers. As a result, production effi-

ciency is maintained at a high level.

The "Union Pacific West" also is rich in raw materials; minerals, lumber and agricultural products. Utility rates are reasonable. Consumer markets are rapidly developing. Excellent rail transportation is assured when plants are built on or near Union Pacific trackage.

Union Pacific Serves:

California	Nebraska
Colorado	Nevada
Idaho	Oregon
Kansas	Utah
Montana	Washington
Wyoming	

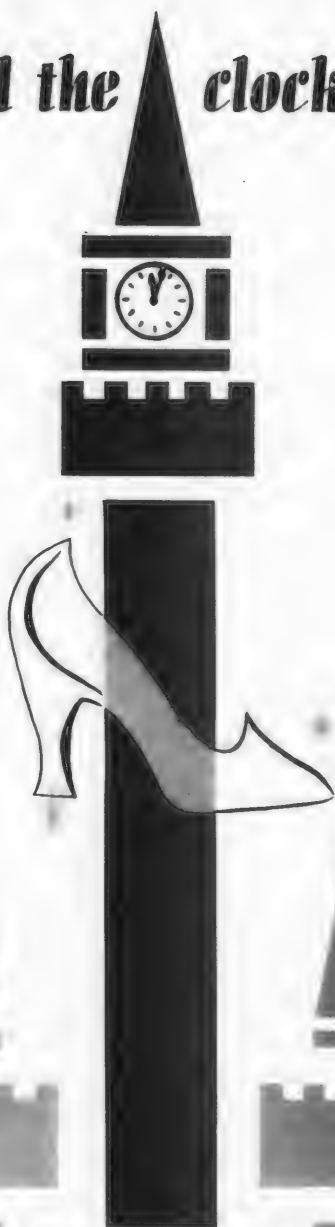


For complete, confidential information on available plant sites, write Industrial Department, Union Pacific Railroad, Omaha 2, Nebr.



BE SPECIFIC: *Ship* UNION PACIFIC

...and the clock struck twelve!



Whether a company makes glass slippers for paperweights, dainty sandals for evening wear or rugged boots and walking shoes, it's almost certain—from time to time—to find itself in a dilemma as serious as Cinderella's.

We're referring to those "witching hours" when inventory gets too high and cash too low. This can happen, at any time, to almost any customer and prospect of yours, regardless of whether he manufactures shoes, farm machinery or feather pillows.

But, in every case, the solution is the same: A bank loan on inventory, field warehoused by Douglas-Guardian. Such loans mean "business as usual" for the borrower and new business for the bank.

May we send you copies of our booklet, "Our Story Has Three Sides"? It will mean a happy ending for many of your customers' financial problems.

WHEN YOU MAKE THE LOANS—WE'LL MAKE THEM SAFE
DOUGLAS-GUARDIAN
 WAREHOUSE CORPORATION
 "The Bankers' Field Warehouse Company"



NEW ORLEANS 1, La., 118 North Front St.
 NEW YORK 4, N. Y., 50 Broad St.
 CHICAGO 2, Ill., 173 W. Madison St.
 ATLANTA 3, Ga., Hurt Bldg.
 CLEVELAND 14, Ohio, Union Commerce Bldg.
 DALLAS 1, Texas, Tower Petroleum Bldg.
 SPRINGFIELD 3, Mass., 172 Chestnut St.

LOS ANGELES 14, Calif., Garfield Bldg.
 MEMPHIS 3, Tenn., Porter Bldg.
 PHILADELPHIA 2, Pa., Girard Trust Bldg.
 PORTLAND 4, Ore., U. S. Nat'l Bank Bldg.
 ROCHESTER 4, N. Y., Commerce Bldg.
 SAN FRANCISCO 4, Calif., 300 Montgomery St.

SPRINGFIELD, Mo., McDaniel's Bldg.
 TAMPA 2, Fla., 416 Tampa St.
 HARTFORD, Conn., 149 Woodland St.
 KANSAS CITY, Mo., 1207 Grand Ave.
 MIAMI 37, Fla., 3582 N. W. 46th St.
 ALBUQUERQUE, N. Mex., 3708 Mesa Verde Drive
 DETROIT, Mich., Penobscot Bldg.

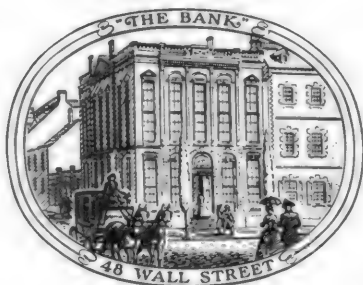
A. B. A. Convention



Manhattan

New York

September 1950



BANK OF NEW YORK
AND
FIFTH AVENUE BANK

Established 1784

•

*New York's
First Bank*

Capital Funds over \$35,000,000

*48 Wall Street • 530 Fifth Avenue
63rd Street and Madison Avenue • 73rd Street and Madison Avenue*

Member Federal Deposit Insurance Corporation

New York Convention—September 24-27

THIS is the Convention Section of **BANKING**. In the following 40 pages are articles, pictures and miscellaneous data that help provide background for the Diamond Anniversary meeting of the American Bankers Association in New York, under the presidency of F. Raymond Peterson, chairman of the First National Bank and Trust Company of Paterson, New Jersey.

The heart of a convention is its program, and this one, you may be sure, takes fully into account the magnitude of international events and problems. The noteworthy list of speakers is headed by two former presidents of the A.B.A. who have distinguished records in public service.

The New York Clearing House Association, convention host, has put months of work into its plans for welcoming the delegates and making them feel at home in the nation's financial capital. There will be plenty of opportunity for sight-seeing.

All in all, it looks like a memorable convention, as befits the American Bankers Association on its 75th anniversary.

Meanwhile, **BANKING** invites you to browse through these pages. As you sample the numerous features, remember that they're just appetizers. An inspiring experience awaits those who attend the New York convention of 1950.

The Waldorf-Astoria, convention headquarters



Leaders in the A.B.A. Official Family



F. RAYMOND PETERSON
President, American Bankers Association
Chairman of the Board, First National Bank and Trust Company
Paterson, New Jersey



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Vice-president, American Bankers Association
President, Security-First National Bank of Los Angeles
Los Angeles, California

GLENN L. EMMONS
Treasurer, American Bankers Association
President, First State Bank at Gallup
Gallup, New Mexico



HAROLD STONIER
Executive Manager, American Bankers Association
Director, The Graduate School of Banking
New York, New York





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President, National Bank Division
President, Fidelity National Bank
Baton Rouge, Louisiana



ROWLAND R. McELVARE
President, Savings and Mortgage Division
Senior Executive Vice-president,
Bank for Savings, New York, New York



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President, State Bank Division
President, Tioga County Savings and Trust
Company, Wellsboro, Pennsylvania



JOHN W. REMINGTON
President, Trust Division
Vice-president and Trust Officer, Lincoln
Rochester Trust Co., Rochester, New York



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President, American Institute of Banking
Vice-president, National Bank of
Washington, Tacoma, Washington



ANDREW MILLER
President, State Association Section
Executive Secretary, Washington Bankers
Association, Seattle, Washington

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Chairman, Board of Regents, The Graduate
School of Banking; President, County
Trust Company, White Plains, New York

W. W. CAMPBELL
Chairman, Agricultural Commission
President, National Bank of Eastern
Arkansas, Forrest City, Arkansas

JAMES H. KENNEDY
Chairman, Bank Management Commission
Vice-president and Cashier, Philadelphia
National Bank, Philadelphia, Pennsylvania





KENTON R. CRAVENS
Chairman, Credit Policy Commission
Vice-president, Mercantile-Commerce Bank
and Trust Company, St. Louis, Missouri



RICHARD W. TREFZ
Chairman, Country Bank Operations Commission; President, Arkansas Valley Bank
Pueblo, Colorado



FRED I. KENT
Chairman, Commerce and Marine Commission; Director, Bankers Trust Company
New York, New York



W. RANDOLPH BURGESS
Chairman, Economic Policy Commission
Chairman, Executive Committee, The
National City Bank of New York, New York



EVERETT D. REESE
Chairman, Small Business Credit Commission; President, Park National Bank
Newark, Ohio



J. LEWELL LAFFERTY
Chairman, Public Relations Council
Vice-president, Republic National Bank
Dallas, Texas



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Chairman, Research Council
President, Citizens National Bank &
Trust Co., Englewood, New Jersey



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Chairman, Advisory Committee on Special
Activities; Chairman, Mercantile-Commerce
Bank & Trust Co., St. Louis, Missouri



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Chairman, Consumer Credit Committee
Senior Vice-president, The Pennsylvania
Company, Philadelphia, Pennsylvania



FRANCIS MARION LAW
Chairman, Educational Foundation in Economics; Chairman, First National Bank Houston, Texas



C. EDGAR JOHNSON
Chairman, Federal Depository Functions and Fiscal Procedures; Vice-president, First National Bank, Chicago, Illinois



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Chairman, Federal Legislation Committee President, First National Exchange Bank Roanoke, Virginia



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Chairman, Government Borrowing Committee; President, The Riggs National Bank Washington, D. C.



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Chairman, Insurance and Protective Committee; Assistant Comptroller, Bankers Trust Company, New York, New York



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Chairman, Organization Committee Vice-president, Second National Bank Houston, Texas

ROBERT C. DOWNIE
Chairman, Service for War Veterans Committee; President, Peoples First National Bank and Trust Co., Pittsburgh



HAYES PICKLESIMER
Chairman, State Legislation Committee President, Kanawha Valley Bank Charleston, West Virginia



H. FREDERICK HAGEMANN, JR.
Chairman, Treasury Savings Bond Committee; President, Rockland-Atlas National Bank, Boston, Massachusetts



The Program of the Convention

THE Diamond Anniversary Convention of the American Bankers Association in New York on September 24-27 will emphasize measures to be taken by the banks to finance war production and otherwise aid the nation in its conflict with Communism.

General Sessions Speakers

The Honorable John W. Snyder, Secretary of the Treasury and guest of honor at the 75th Convention, and A. L. M. Wiggins, chairman of the board, Atlantic Coast Line Railroad, former president of the A.B.A., and former Under Secretary of the Treasury, will be the speakers at the first general business session of the convention on Tuesday, September 26, according to A.B.A. President F. Raymond Peterson.

George Whitney, president, J. P. Morgan & Co., Inc., president, New York Clearing House, and chairman of the General Convention Committee, will extend greetings to the banker-delegates on behalf of the Clearing House. President Peterson, who is chairman of the board, First National Bank and Trust Company of Paterson, New Jersey, will deliver his presidential address at this session.

The guest speakers at the second general session on Wednesday will be Robert M. Hanes, director of Economic Affairs for Germany, president, Wachovia Bank and Trust Company, Winston-Salem, North Carolina, and former president of the A.B.A., and Dr. Marcus Nadler, professor of finance, New York University, New York. Mr. Hanes will speak on "The European Problem" and Dr. Nadler on "Banking Problems." The election of officers will also take place at this session.

The standing committees, commissions, and councils and the divisions and sections of the American Bankers Association will hold their annual meetings in New York on Sunday and Monday preceding the formal opening of the convention.

The convention headquarters will be at The Waldorf-Astoria Hotel, and most of the activities will be cen-



President Peterson will preside at the general sessions

tered there. However, two of the divisions of the Association will hold their annual meetings elsewhere. The Savings and Mortgage Division will hold its all-day session on Monday at the Hotel Statler. The Trust Division will have its session on Monday afternoon at the Belmont Plaza Hotel.

The State Bank Division will hold its annual meeting at The Waldorf-Astoria on Monday morning and the National Bank Division will have its meeting at The Waldorf on Monday afternoon.

Divisional Speakers

Speakers at the National Bank Division session will be the Division president, William B. Gladney, president of the Fidelity National Bank, Baton Rouge, Louisiana; Preston Delano, Comptroller of the Currency; J. L. Robertson, Deputy Comptroller of the Currency; and M. J. Rathbone, member of the board of directors of The Standard Oil Company of New Jersey. At press time none of these speakers had given his topic; but they are expected to direct their remarks to banking and business service to defense.

The two speakers at the State Bank Division session will be the president of the Division, Claude E. Bennett, who is president of Tioga County Savings and Trust Company, Wellsboro, Pennsylvania; and George H. Shay, staff manager of the government department of the Johns-Manville Corporation, New York City.

The Savings and Mortgage Division will have a program on mortgage and other investments. The morn-

John W. Snyder



A. L. M. Wiggins





Robert M. Hanes



Marcus Nadler



George Whitney



Percy J. Ebbott

ing speakers will be Rowland R. McElvare, president of the Division and senior executive vice-president of the Bank for Savings, New York, and United States Senator Harry F. Byrd of Virginia. Afternoon speakers will be Dr. Jules I. Bogen, professor of finance at New York University; and M. S. Szymczak, member of the Board of Governors of the Federal Reserve System, Washington, D. C.

The Trust Division will hear its president, John W. Remington, who is vice-president and trust officer of the Lincoln Rochester Trust Company, Rochester, New York; and Carl W. Fenninger, retired vice-president of the Provident Trust Company, Philadelphia, who is a recent past president of the Division. Greetings will be extended by Aurie I. Johnson, chairman of the trust division of the New York State Bankers Association, who is vice-president of the First Trust and Deposit Company, Syracuse, New York.

The entertainment features tendered by the New York Clearing House banks will be confined chiefly to the evenings and Tuesday and Wednesday afternoons.

The annual Sunday afternoon reception will be held from 4 to 7 p.m., September 24. A symphony concert at Carnegie Hall with Leopold Stokowski conducting will be given Sunday evening.

On Monday evening, September 25, a "Night of Stars" produced and directed by Richard Rodgers will be given at the Metropolitan Opera House.

Tours, baseball games, fashion shows, radio and television shows are all included in the social program.

Convention Committees

The General Convention Committee, headed by Mr. Whitney, is composed of about 125 bankers of Greater New York.

Percy J. Ebbott, president of the Chase National Bank, is chairman of the executive committee of the New York Convention Committee. Serving with Mr. Ebbott on the executive committee are: Henry C. Alexander, executive vice-president, J. P. Morgan & Co., Inc., Alex H. Ardrey, executive vice-president, Bankers Trust Company; G. Russell Clark, manager, New York Clearing House; Alfred M. Ellinger, vice-president, Central Hanover Bank and Trust Company; James F. Farrell, senior vice-president, Public National Bank and Trust Company; Harold H. Helm, president, Chemical Bank & Trust Company; William L. Kleitz, president, Guaranty Trust Company; Lawrence C. Marshall, president, Bank of the Manhattan Company; Howard C. Sheperd, president, National City Bank; Charles J. Stewart, president, New York Trust Company; and Henry C. Von Elm, chairman of the board, Manufacturers Trust Company.

THE other convention committees with their chairmen and vice-chairmen are as follows:

ARRANGEMENTS: Broderick Haskell, vice-president, Guaranty Trust Company, *chairman*, and Huntington M. Turner, vice-president, Chemical Bank and Trust Company, *vice-chairman*.

ENTERTAINMENT: William T. Taylor, vice-chairman of the board, The Commercial National Bank and Trust Company, *chairman*, and George Champion, senior vice-president, The Chase National Bank, *vice-chairman*.

FINANCE: De Witt A. Forward, senior vice-president, The National City Bank of New York, *chairman*, and Henry S. Sturgis, vice-president, The First National Bank, *vice-chairman*.

William T. Taylor



Robert E. McNeill



Preston Delano



J. L. Robertson





M. J. Rathbone



Harry F. Byrd

GOLF: I. B. Grainger, vice-president, Chemical Bank & Trust Company, *chairman*, and Daniel A. Freeman, Jr., vice-president, The National City Bank, *vice-chairman*.

HALLS AND MEETING PLACES: Philip F. Gray, vice-president, Irving Trust Company, *chairman*, and John S. Taber, vice-president, Bankers Trust Company, *vice-chairman*.

HOTEL: Marus E. Conrad, vice-president, The Chase National Bank, *chairman*, and Carl E. Allen, vice-president, The National City Bank, *vice-chairman*.

INFORMATION AND PUBLICITY: Robert E. McNeill, Jr., president, Central Hanover Bank and Trust Company, *chairman*, and Landon M. Townsend, vice-president, Bank of New York and Fifth Avenue Bank, *vice-chairman*.

RECEPTION: Francis J. Rue, vice-president, Bankers Trust Company, *chairman*, and Edward C. Hoiahan, agent, Agency of the Royal Bank of Canada, *vice-chairman*.

REGISTRATION: John R. McWilliam, executive vice-president, Corn Exchange Bank Trust Company, *chairman*, and Harold M. Sherman, Jr., vice-president, Guaranty Trust Company, *vice-chairman*.

TRANSPORTATION: James M. Nicely, vice-president, The First National Bank, *chairman*, and John J. Martin, general vice-president, The Commercial National Bank and Trust Company, *vice-chairman*.

WOMEN'S HOSPITALITY: Mrs. Winthrop W. Aldrich, *chairman*.

Business Sessions

The program for the convention sessions is as follows:

State Bank Division

Monday, September 25, 1950, 10 A.M.
The Waldorf-Astoria, Grand Ballroom

Address of President Claude E. Donnett, president, Tioga County Savings and Trust Company, Wellsboro, Pennsylvania.

Address of George H. Shay, staff manager, Government Department, Johns-Manville Corporation, New York.

Savings and Mortgage Division

Monday, September 25, 1950, 10 A.M.
Hotel Statler, Grand Ballroom

Address of President Rowland R. McElvare, senior executive vice-president, Bank for Savings, New York.

Address of Honorable Harry F. Byrd, United States Senator from Virginia.

2:15 P.M.

Address of Dr. Jules I. Bogen, professor of finance, New York University.

Address—"The Effect of Federal Reserve Policies on Investment of Savings Funds"—M. S. Szymczak, governor, Federal Reserve System, Washington.

National Bank Division

Monday, September 25, 1950, 2 P.M.
The Waldorf-Astoria, Grand Ballroom

Address of President William B. Gladney, president, Fidelity National Bank, Baton Rouge, Louisiana.

Remarks of Honorable Preston Delano, Comptroller of the Currency, Washington.

Address of J. L. Robertson, Deputy Comptroller of the Currency, Washington.

Address of M. J. Rathbone, director, Standard Oil Company of New Jersey.

Trust Division

Monday, September 25, 1950, 2 P.M.
Belmont Plaza Hotel, Moderne Room

Greetings by Aurie I. Johnson, chairman, trust division, New York State Bankers Association and vice-president, First Trust and Deposit Company, Syracuse.

Address of President John W. Remington, vice-president and trust officer, Lincoln Rochester Trust Company, Rochester.

Address—"The Trust Business—40 Years of Progress"—Carl W. Fenninger, director, Provident Trust Company, Philadelphia.

First General Session

Tuesday, September 26, 1950, 9:15 A.M.
The Waldorf-Astoria, Grand Ballroom

M. S. Szymczak



Jules I. Bogen





James E. Shelton



George H. Shay

Presenting the Colors—Color Guard, U. S. Marine Corps.

Call to Order by President F. Raymond Peterson.

Invocation by Ralph W. Sockman, D. D., Christ Church, New York.

Greetings by George Whitney, president, New York Clearing House and president, J. P. Morgan & Co., Inc., New York.

Address of President Peterson.

Report—official acts and proceedings of the Executive Council.

Presenting the guest of honor of the 75th Anniversary Convention, the Honorable John W. Snyder, Secretary of the Treasury, Washington.

Address—"Our Current National Scene"—A. L. M. Wiggins, chairman of the board, Atlantic Coast Line Railroad.

Appointment of Resolution Committee.

Second General Session

Wednesday, September 27, 1950, at 9:15 A.M.
The Waldorf-Astoria, Grand Ballroom

Call to order by President Peterson.

Address—"The European Problem"—Robert M. Hanes, Director of Economic Affairs for Germany and president, Wachovia Bank and Trust Company, Winston-Salem, North Carolina.

Address—"Banking Problems"—Dr. Marcus Nadler, professor of finance, New York University, New York.

Report of Resolutions Committee.

Report of Nominating Committee and election of officers.

Inauguration of officers.

Unfinished business and new business.

Hospitality

The hospitality program arranged by the New York Clearing House banks is as follows:

Sunday, September 24, 1950

4:00-7:00 P.M. Reception of Welcome, The Waldorf-Astoria, Grand Ballroom
8:30 P.M. Symphony Concert, Carnegie Hall, Leopold Stokowski, Conducting
Evening Television Studio Shows—All Networks
Evening Radio Studio Shows—All Networks

Monday, September 25, 1950

12:30-3:00 P.M. Women's Luncheon and Fashion Show
Grand Ballroom and West Ballroom, Hotel Commodore
9:30 P.M. Night of Stars at Metropolitan Opera House. Produced and Directed by Richard Rodgers
Evening Baseball Game, Dodgers vs. Giants, Ebbets Field, Brooklyn

Tuesday, September 26, 1950

1:00-5:30 P.M. Jones Beach Tour (25-mile trip to Long Island beach by bus)
1:15-5:30 P.M. Manhattan Motor Tour
1:30-5:30 P.M. Boat Tour of New York Harbor
1:30-5:30 P.M. United Nations Tour (Inspection of Headquarters at Lake Success, and visits to meetings in progress)
1:45-5:30 P.M. Flights over New York City and Airport Tour
2:00-4:00 P.M. Inspection of Trans-Atlantic Liner, Hudson River Pier
Afternoon Race Meet at Belmont Park
Afternoon Baseball Games, Yankees vs. Washington at Yankee Stadium; Dodgers vs. Giants at Ebbets Field, Brooklyn
Afternoon Radio City Music Hall Matinee
9:30 P.M. Grand Ball, The Waldorf-Astoria
Paul Whiteman, Master of Ceremonies
Evening Television Studio Shows
Evening Radio Studio Shows

Wednesday, September 27, 1950

1:15-5:30 P.M. Manhattan Motor Tour
1:30-5:30 P.M. Boat Tour of New York Harbor
1:30-5:30 P.M. United Nations Tour (Inspection of Headquarters at Lake Success, and visits to meetings in progress)
2:00 P.M. Metropolitan Museum of Art
2:00 P.M. American Museum of Natural History
2:00 and 3:30 P.M. Hayden Planetarium
All Day Empire State Building Tower
All Day Rockefeller Center Guided Tours

Carl W. Fenninger



Aurie I. Johnson





CHARLES PHELPS CUSHING PHOTOS

There's a newcomer on the New York midtown East River skyline—the United Nations Secretariat building, *left*, still unfinished when this picture was taken. The UN's \$65-million home will eventually extend for several midtown blocks along the river. The tower in the center is the Chrysler Building

Little Old New York

I.

JOHN L. COOLEY

THERE'S only one New York. The Postal Guide says so. If you want an extra endorsement on the statement, ask your NYC banker. As he signs he'll suggest that when you're in town for the A.B.A.'s Diamond Anniversary Convention you can see for yourself.

You've heard about the New Yorker who was showing a visitor the sights. At a midtown corner the tourist asked, "What's that building?" Instantly, and with an enthusiasm that would have done credit to a westerner, the guide exclaimed, "Damfino—it wasn't there yesterday!"

Now old Bagdad-on-the-Subway (one of O. Henry's pet names for the city) isn't that good. However, some folks will assure you that Aladdin himself has been living here, nigh on to three and a half centuries, and working his lamp overtime. How else, they ask, can you account for the magic wrought in New York? How else explain such things as the United Nations' new capitol, the Empire State Building,

"South Pacific," Radio City, the finely etched views at night or on a clear day in early autumn, the shops, the treasure, the tremendous vitality—or the Dodgers?

It's magic, just magic. The long, water-bound bundle of rock that Henry Hudson discovered for his Dutch bosses that September day in 1609, and was Peter Minuit's \$24 bargain in real estate's smartest transfer a few years later, became the nucleus of a fabulous metropolis called home by 8-million people of all nationalities and races.

Yes, it's magic, but not the supernatural kind. Rather, New York's magic, like America's was made by hard work, freedom, opportunity, initiative. There will never be a better formula, either for a nation or for a city.

New York is a place of sharp contrasts. You can be lonelier, among the Eight Million, than in the remotest canyon. Bringing your talents to the highly critical, sensitive, and competitive New York market, you may find fame and fortune quickly;

or the city may be cruelly unappreciative of your wares and you'll tramp the streets that lead to the train for home.

You can spend your life as a cave-dweller in the Bronx or Manhattan, as a commuting householder on Long Island or in Westchester, a carefree tenant in an apartment hotel. The chances are negligible that your name will ever appear in the newspapers, unless you tangle with the law, are lucky enough to Stop the Music, or so unlucky as to meet a violent end. In the last named contingency, you might get a couple of inches of space 'long about page 24, depending on the circumstances of your demise. In short, life and death are largely one's own business.

In New York, as elsewhere, the adhesive that holds together the great mass of steel and concrete in the five boroughs is people. New Yorkers, for all their apparent indifference to the superlatives that surround them, are surprisingly naive. Small excitements draw crowds—a cop frantically waving traffic aside to let the firetrucks pass; an unusual window display; a



Park Avenue, looking north. The tower at the right is on the Waldorf-Astoria Hotel, A.B.A. convention headquarters

sidewalk vendor selling women's purses, men's ties, a mechanical toy; a window cleaner clinging to a tower's side. If you want to start something in New York, just stand still on Fifth Avenue (or any other busy street) and stare skyward. In one minute six people will be trying to see what you see; in three minutes a cop will arrive to investigate.

New York is famous for so many things that the compiler of a brief report on the City of Not Enough Subways is tempted to give up the assignment and advise the procurement of a guidebook. After all, you can't wrap up Father Knickerbocker's old home town in three square feet of magazine paper!

Nevertheless, a few points may have escaped the gentlemen who assemble, in booklets of pocket size, the facts about New York. They can give you data on the Statue of Liberty, Wall Street, the Stock Exchange, the number of banks and their resources, the three baseball teams, Broadway, the skyline, the miles of pavement, Madison Square Garden, Park and Fifth Avenues, Chinatown, Rockefeller Center, Riverside Drive, George Washington Bridge, and the hundreds of other sights that are the minarets of modern Bagdad. And they may remind you that New York is the only city that's godfather to two cock-tails and one particularly raucous cheer!

BUT print doesn't quite convey the lift you get when you see, down the Bay, the Goddess enlightening the world with a torch she must now hold higher and more firmly than ever; when you stand in front of Trinity Church, looking into Wall Street, once the town's northern boundary; when you watch Joe Di-Maggio drop one into Ruthville at Yankee Stadium; or when you merge with the crowd on the Great White Way or Fifth Avenue. These



Miss Liberty is still at her stand, Bedloe's Island in the Upper Bay, lighting the world with Freedom's torch

things must be experienced. These things are New York.

It's interesting to note that this Colossus of Construction Engineering is always fresh, always changing, always living up to its name. Remember that for 300 years it's been a *New* city: *New* Amsterdam, *New* York—even, for a time *New* Orange! Perhaps the freshness thus

The columned facade of the New York Stock Exchange on Broad Street. The tall figure at the right is the statue of Washington on the old Sub Treasury steps, site of his first inauguration



The mouth of the Broadway canyon in southern Manhattan. The famous thoroughfare extends the entire length of the Island, becoming The Great White Way for a few blocks at Times Square





Yes, this is the Empire State Building. But do you recognize the home office of the American Bankers Association? It's the 9th floor of the building at the immediate left foreground of the world's tallest



Here's a clear-day panorama of uptown Manhattan, looking northwest from Lexington Avenue and 42nd Street. The 70-story RCA tower, dominating Rockefeller Center, is at the left

implied is the quality that makes Gotham (Washington Irving authored this sobriquet) so popular with tourists. New York never gets stale. You may dislike its vastness, its impersonalness, its traffic, but you must admit, even while you cuss, that the city is consistently amazing and usually beautiful.

New York has grown up with America. The first cluster of little Dutch houses, built in 1613 by Adrian Block at the site of 41 Broadway, had grown into a community of nearly 200 thresholds when Minuit, in 1626, traded those trinkets for the Isle of the Mannahattoes. It was also in 1626 that the village was called New Amsterdam. In 1664 the English dropped by, bringing a change of flag and name. Surely no Duke of York or any other nobleman ever had so illustrious a namesake!

Nine years later the Dutch pulled a coup that gave them the town again, and they promptly and patriotically rechristened it New Orange. Slightly more than a year later all of New Netherland was ceded to England, and New Orange was again Anglicized.

As every schoolboy knows, New York was in British hands during most of the Revolution (September 14, 1776, to November 25, 1783). Also, it was the new nation's capital from 1785 to 1790. George Washington, on April 30, 1789, took the presidential oath at Federal Hall, where the old Sub Treasury building now stands. However, President George and the young government tarried but briefly in the town that then extended to the vicinity of 14th Street; they moved to Philadelphia. New York's surrender of a high political honor to the City of Brother-Love, however, did not mean the political eclipse of the future metropolis. Quite the contrary.

II.

What are the "points of interest" in the Diamond Anniversary convention city? Perhaps the best way to answer that question is to ask another: What are the visitor's interests? It's dollars to doughnuts that New York has something for everybody. And everybody's interests would seem to have been covered in the entertainment program provided

by the New York banks' committee. (See page 185.)

If you haven't been here for several years—say since the war—you'll notice a few new buildings, especially in midtown where most of the convention hotels are situated. The old Collegiate Church of St. Nicholas, for example, has given way to a smart Fifth Avenue office building, and that venerable landmark, the Murray Hill Hotel, is no more. Its successor on Park Avenue is a shining pile, built in almost record time to meet the postwar pressure for office space.

Radio City and Rockefeller Center, which symbolize perhaps better than any other locality the eternal modernity of New York, are possibly the most popular "sights" of the city, although bankers may be expected to head south of City Hall, where many of the big commercial banks have their head offices.

Here, along Manhattan's southern mile, change comes more slowly. This oldest, most massive part of New York seems fairly well satisfied with itself and looks as permanent as Trinity's \$20-million churchyard. But appearances are deceptive, for

change comes here also, even though in subterranean and subaqueous form. They've just finished a tunnel to Brooklyn, running under the mouth of the East River from the Battery! And a new link between the parkways on the East and West Sides will make it possible to drive almost around the Island's perimeter without battling the traffic of the interior.

When you're in Wall Street the Stock Exchange is just around the corner on Broad, and a couple of the city's oldest banks are at hand. Bank of New York, the charter for which was written by Alexander Hamilton in 1784, opened five years before the Constitution of the United States was adopted and is New York's No. 1. Its address is 48 Wall Street. The Bank of the Manhattan Company is still doing business at the old stand—40 Wall Street—where it began in 1799 as the Manhattan Company, purveyor of water to the city. Its charter enabled it to do some banking business, too, and after nearly 50 years of providing H₂O, the company became a bank.

The Sub Treasury is now only a name, for the original functions of the somber building across Wall Street from J. P. Morgan & Company, Inc., were transferred to the Federal Reserve System many years ago. On Cedar Street, nearby, is



A bleacherite's view of Yankee Stadium from center field. Delegates will have an opportunity to see all three New York teams

the present home of the New York Clearing House and on Liberty Street, a few blocks away, stands the huge Federal Reserve Bank of New York, right hand man of the United States Treasury.

One of the sights in midtown these days is the huge upended rectangle of glass and marble that is soon to

house the Secretariat of the United Nations. Eventually, UN buildings will occupy the space east of First Avenue along the East River between 42nd and 48th Streets.

If you'd like to visit the A.B.A. offices (and you'll be very welcome!) go to the building at the southwest corner of East 36th Street and Madison Avenue.

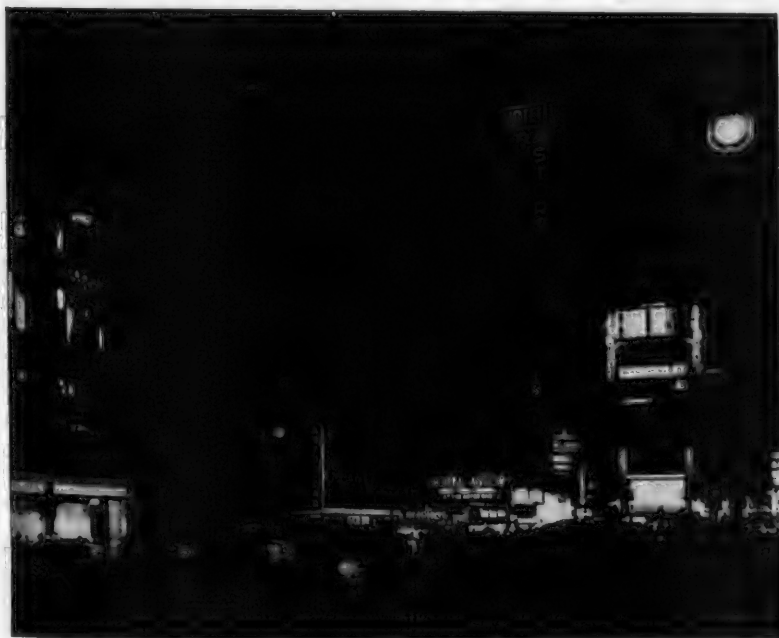
Diagonally across Madison Avenue is the Pierpont Morgan Library, housing the great collections started by J. P. Morgan in 1889.

It's sometimes said that New York's most rewarding sights are free—or nearly so. The reference, obviously, is to the museums, art galleries and collections, libraries, churches, historic shrines and sites, parks, educational institutions, bus and ferry rides. A list and brief description of them fills a guidebook—and this little sketch, you know, isn't a guidebook. Here again the Entertainment Committee will take over when you arrive.

The theaters, restaurants, night spots—the entire city after dark—provide another story. So do the shops and stores. It just about boils down to a matter of your tastes and your budget.

We almost forgot: the Five Cent Subway Fare is as dead as Old Man Stuyvesant. It now costs a dime to go underground.

The advertising signs change with the products, but The Great White Way is always just that. This view looks north from Times Square



Key to *BANKING'S* Cover Map

This month's cover is a map of the lower part of Manhattan, showing the location of the main offices of American Bankers Association member banks. Branches are not shown.

The complete list, with numbers corresponding to those on the map, is given below.

1. Amalgamated Bank of New York, 11 Union Square
2. American Savings Bank, 125 West 42nd Street
3. American Trust Company, 70 Wall Street
4. Bankers Trust Company, 16 Wall Street
5. Bank for Savings in the City of New York, 280 4th Avenue
6. Bank of Athens Trust Co., 205 West 33rd Street
7. Bank of New York and Fifth Avenue Bank, 48 Wall Street
8. Bank of the Manhattan Company, 40 Wall Street
9. Central Hanover Bank and Trust Company, 70 Broadway
10. The Chase National Bank of the City of New York, Pine Street corner of Nassau
11. Chemical Bank & Trust Company, 165 Broadway
12. Bowery Savings Bank, 110 East 42nd Street
13. Broadway Savings Bank, 250 West 23rd Street
14. Brown Brothers Harriman & Co., 59 Wall Street
15. Central Savings Bank in the City of New York, 2100 Broadway
16. Clinton Trust Company, 857 Tenth Avenue
17. City Bank Farmers Trust Company, 22 William Street
18. Colonial Trust Company, 1230 Avenue of the Americas
19. Commercial National Bank and Trust Company of New York, 46 Wall Street
20. Corn Exchange Bank Trust Company, 13 William Street
21. The Corporation Trust Company, 120 Broadway
22. Dry Dock Savings Bank, 742 Lexington Avenue
23. East River Savings Bank, 26 Cortlandt Street
24. Emigrant Industrial Savings Bank, 51 Chambers Street
25. Empire City Savings Bank, 2 Park Avenue
26. Empire Trust Company, 120 Broadway
27. Excelsior Savings Bank, 221 West 57th Street
28. Federal Reserve Bank of New York, 33 Liberty Street
29. Federation Bank & Trust Co., 461 Eighth Avenue
30. Fiduciary Trust Company, 1 Wall Street
31. First National Bank of the City of New York, 2 Wall Street
32. First of Boston International Corporation, 2 Wall Street
33. Franklin Savings Bank in the City of New York, 8th Avenue at 42nd Street
34. Grace National Bank, 7 Hanover Square
35. The Greenwich Savings Bank, Bway and 6th Avenue at 36th Street
36. Guaranty Trust Company of New York, 140 Broadway
37. Hellenic Bank Trust Company, 139 William Street
38. Irving Trust Company, One Wall Street
39. Industrial Bank of Commerce, 56 East 42nd Street
40. Irving Savings Bank, 115 Chambers Street
41. Laidlaw & Company, 25 Broad Street
42. Lawyers Trust Company, 111 Broadway
43. The Manhattan Savings Bank, 754 Broadway
44. Manufacturers Trust Company, 55 Broad Street
45. The Marine Midland Trust Company of New York, 120 Broadway
46. Modern Industrial Bank, 116 Fifth Avenue
47. J. P. Morgan & Company, Inc., 23 Wall Street
48. The National City Bank of New York, 55 Wall Street
49. The New York Trust Company, 100 Broadway
50. The Merchants Bank of New York, 434 Broadway
51. The National Safety Bank & Trust Company of New York, 1384 Broadway
52. New York Savings Bank, Eighth Avenue and 14th Street
53. Pennsylvania Exchange Bank, 566 Eighth Avenue
54. Peoples Industrial Bank, 888 Avenue of the Americas
55. The Public National Bank and Trust Company, 37 Broad Street
56. Savings Banks Trust Company, 14 Wall Street
57. Schroeder Trust Company, 57 Broadway
58. The Seamen's Bank for Savings in the City of New York, 74 Wall Street
59. Sterling National Bank & Trust Company, Broadway at 39th Street
60. Title Guarantee and Trust Co., 176 Broadway
61. Trade Bank & Trust Company, 481 Seventh Avenue
62. Trust Company of North America, 115 Broadway
63. Underwriters Trust Company, 50 Broadway
64. Union Dime Savings Bank, 1065 Avenue of the Americas
65. Union Square Savings Bank, 20 Union Square
66. United States Trust Company of New York, 45 Wall Street
67. West Side Savings Bank, 6th Avenue at 9th Street
68. Banco de Ponce, 51 Broadway
69. Banco di Roma, 37 Wall Street
70. Banco Nacional de Mexico, S.A., 37 Wall Street
71. Bank of China, 40 Wall Street
72. Bank of London & South America Limited, 34 Wall Street
73. Bank of Montreal, 64 Wall Street
74. Bank of Nova Scotia, 49 Wall Street
75. Banque Belge Pour L'Etranger (Overseas) Ltd., 67 Wall Street
76. Barclays Bank (Dominion, Colonial & Overseas), 120 Broadway
77. Canadian Bank of Commerce, 20 Exchange Place
78. Chartered Bank of India, Australia & China, 65 Broadway
79. Thos. Cook & Son (Bankers) Ltd., 221 Broadway
80. Credit Suisse, 30 Pine Street
81. The Dominion Bank, 49 Wall Street
82. Hongkong and Shanghai Banking Corporation, 72 Wall Street
83. Lloyds Bank Limited, 52 Wall Street
84. National Provincial Bank Limited, 44 Wall Street
85. Philippine National Bank, 25 Broadway
86. The Royal Bank of Canada, 68 William Street
87. Societe Generale Pour Favoriser le Developpement du Commerce et de l'Industrie en France, 60 Wall Street
88. The Standard Bank of South Africa, Limited, 67 Wall Street
89. Swiss Bank Corporation, 15 Nassau Street

Your Host, the New York Clearinghouse

THE New York Clearing House Association, host at the 75th anniversary convention of the American Bankers Association, is nearing an important birthday of its own. The association began to function on October 1, 1853.

Behind all organizations there's a story, and the NYCHA's is particularly interesting. The account of its formation and early operations has been preserved in *The Banks of New York, Their Dealers, the Clearing House and the Panic of 1857*, by J. S. Gibbons and published in 1858 by D. Appleton & Company, New York. From its old pages BANKING takes the facts in this article, with a grateful nod to Author Gibbons.

Early in the 1850's New York City had 60 banks, and each took a part in the daily exchange. In those days the bank porter was a very important person. Among his many

duties was the exchange chore; thus the 60 porters representing all the banks were at this job at the same time.

"Each," says Gibbons, "carried a book of entry and the money for every bank on which he called. The paying teller of the receiving bank took the exchange and entered it on the credit side of the book; then he entered on the debit side the return exchange and gave it, with the book, to the porter who hastened to the next bank in his circuit.

"The porters crossed and recrossed each others' footsteps constantly; they often met in companies of five or six at the same counter and retarded each other; and they were fortunate to reach their respective banks at the end of one or two hours. This threw the counting of the exchanges into the middle and after part of the day when the other

business of the bank was becoming urgent."

A daily adjustment of accounts would have taken much time and "caused much annoyance," so it was tacitly agreed among the banks that a weekly settlement of balances should be made after the Friday morning exchange and that intermediate draft-drawing should be suspended.

"The weaker and more speculative banks," Gibbons reports, "took advantage of this by borrowing money on Thursday, which restored their accounts for Friday; and its return on Saturday threw them again into the debit column. In this way the banks distant from Wall Street managed to carry an inflated line of discounts, based on debts due to other institutions. It became an affair of cunning management by some to run a small credit of two or three

The New York clearinghouse in action, 1875: "Bank clerks and messengers effecting clearances and exchanges." From *Frank Leslie's Illustrated Weekly*



thousand dollars each with 30 or more banks, making a total of \$100,000 on which they discounted bills. Consequently, the Friday settlements proved to be no settlements at all, but a prodigious annoyance.

"As soon as the paying teller or his assistant completed the exchange balance list the cashier of each bank would draw checks for every debt due to him by other banks and send out the porters to collect them. The 60 porters were all out at once, with an aggregate of two or three hundred bank drafts in their pockets, balking each other, drawing specie at some places and depositing it in others; and the whole process was one of confusion, disputes and unavoidable blunders.

"After the draft-drawing was over came the settlement of the Wall Street porters among themselves. A Porters' Exchange was held on the steps of one of the Wall Street banks, at which they accounted to each other for what had been done during the day. Thomas had left a bag of specie at John's bank to settle a balance which was due from William's bank to Robert's; but Robert's bank owed twice as much to John's. What had become of that? Then Alexander owed Robert also, and William was indebted to Alexander. Peter then said that he had paid Robert by a draft from James, which he, James, had received from Alfred on Alexander's account. That, however, had settled only half the debt. A quarter of the remainder was cancelled by a bag of coin which Samuel had handed over to Joseph and he had transferred to David.

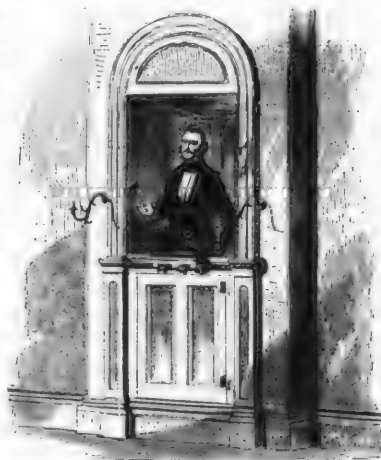
"IT is entirely safe to say that the presidents and cashiers of the banks themselves could not have untangled this medley. Each porter had his tally, and by checking off and liberating, first one whose account was least complicated, and then another, they finally achieved a settlement. This scene was re-enacted on every Friday."

Obviously, the arrangement was much too crude for the banking business of New York City, and the question of a new method was widely discussed at informal meetings of bank officers. Agreement, however, was difficult and nearly a year went by before a meeting was called to take action on a plan.

"Then," comments Gibbons, "it encountered much silent and determined opposition. Those banks which had profited most by enforced credit balances feared the restraint and domination of the others; and these had prejudices to overcome and a long score of annoyances to forget; but it was manifest that the subject could be deferred no longer. A plan was finally adopted and went into effect on the first of October, 1853. Its complete success soon banished all feelings but those of gratification and common interest."

THE clearinghouse functioned for nearly a year without a constitution, but on June 6, 1854 it adopted the formal document prepared by George Curtis.

The association's quarters were on the fourth floor of the then new building erected by the Bank of New York at the northeast corner of Wall and William Streets. There were a manager's room, a clerks' room, and a big exchange room, fitted with desks and stools for each bank. Overlooking the exchange room was the manager's pulpit.



The Manager in his Pulpit.
FROM "THE BANKS OF NEW YORK"

Gibbons wrote a lucid account of the routine for making the exchange under the new arrangement:

"Each bank sends to the clearing house a messenger or specie clerk, and a settling clerk; the former to distribute the packets of money of which his exchange is composed, and the latter to receive the return packets from the other messengers. They begin to arrive about 15 minutes before 10 o'clock, A.M., that being the hour at which the man-

ager gives the signal for the distribution to begin.

"Each specie clerk leaves at the settling-desk, as he passes into the long room, a printed form, the blank of which is filled with the gross amount of money that he has brought to exchange.

"The assistant manager is thus furnished with the amounts composing the right-hand main column of the clearing house proof, which he transcribes under the head of 'Bank Cr.' and adds together. This is the total sum sent in by all the banks, and it is called the credit exchange. If each messenger has a packet of money for every bank in the house (excepting his own), there are of course 2,550 packets to be distributed. The manner of effecting this distribution is the distinctive feature of the clearinghouse system.

"THE manager appears on his stand under the doorway at two or three minutes before 10 o'clock, and giving a stroke on his bell, calls out: 'Take your places.'

"The settling clerks immediately occupy their respective desks on the inside of the counter, and the specie clerks, standing, on the outside. Each of the latter carries on his left arm an open box of some light material, containing his packets of money arranged in the consecutive desk-order for delivery as he passes around the counter. He also has a receipt list, called the specie clerks' statement, with the amount designed for each bank, set down in the same order. A fine is imposed for absence or late attendance.

"There are now in the room 102 clerks, besides those who are attached to the house, and the scene is not always free from confusion by loud conversation, which the manager corrects by a call:

"'Order, gentlemen, order!'

"When the minute hand of the clock reaches the stroke of 10, a second ring of the manager's bell gives the signal for the distribution of the exchanges to begin.

"Each specie clerk advances one step forward, and is brought opposite to the first desk, at which his delivery is to be made. He hands over the packet of money designed for it, and also the 'Statement' on which the settling clerk writes his initials against the amount as a receipt,

being careful to observe that the record is correct. The statement is then returned to the specie clerk, who goes through the delivery at each desk in like manner. The whole line advances at the same time, resembling in its movement a military company in lockstep.

"While this is going on, the manager walks round the interior of the desks and silently identifies each specie clerk with the bank he represents. It is rarely that a substitute is employed in this service; and if not already known to the manager, he must be officially introduced.

"IN about six minutes the circuit is made, bringing each messenger round to the starting-point opposite his own desk. His statement, signed by every settling clerk, is the voucher to his bank that he has delivered all the money intrusted to his care.

"There is no part of the clearing-house routine that exhibits such striking results in economy and safety, compared with the old plan of exchange, as this movement of six minutes. Two thousand five hundred and fifty packages of money have been distributed and receipted for in this short space of time, by a method that excludes almost the last possibility of loss or error. The same work, on the old plan, occupied each messenger an average of not less than two hours, and was attended by great exposure in passing through jostling streets from one bank to another. Supposing the whole service to be performed by one person, the relative time occupied would be as five hours is to eight days of 12 hours each, or a clean saving of 97 out of 102 hours!

"EACH settling clerk has now on his desk the packets of money which constitute his debt exchange. He copies them in his statement under the head of 'Banks Cr.' and the accuracy of the copy is tested by the specie clerks calling back the amounts from the packets. The footing of this column furnishes the debit of his bank in the clearing-house proof.

"The specie clerks are now at liberty to leave the house with their return exchanges, which they do generally within 15 minutes of the time the distribution begins; and although not able to state the precise balance of their banks with the



Making the Exchange in Six Minutes, at the Clearing House.

FROM "THE BANKS OF NEW YORK"

House, they can report it in round numbers. The settling clerks are obliged to remain until the manager announces an exact proof.

"The rapidity and accuracy with which the more skillful of the settling clerks accomplish their work is almost incredible. The distribution occupies six minutes. At the end of two minutes more they have copied and footed their column. But they must then make a careful revision of it to be assured against errors.

"THE two footings of the settling clerks' statement, and their differences, debit or credit, are written in a form which is sent to the assistant manager to make up the clearinghouse proof. While the proof is in preparation the settling clerk of each bank fills up a set of blanks with the amount credited on his list from every other. These tickets ought to correct all errors of transcription, although the money has been carried away. If any settling clerk copies a wrong amount from his list in one of these tickets, the clerk to whom it is sent discovers the mistake by comparison with the original settlement in his hands. So perfect is this plan of direct and alternate revision that the clearinghouse exchanges have been made for nearly five years without the error of a single cent.

"If no mistake is made the assistant manager announces a proof in 30 minutes from the beginning of the movement. But the first trial is rarely so fortunate. Fifty-one clerks make over 20,000 figures in less than 10 minutes, and a single

one faulty or obscure vitiates the result.

"Such is the regularity and discipline of the House that the assistant manager seldom varies a minute from the half-hour in announcing his first trial.

"The difference is \$7,643.22" — or it may be but a few cents.

"THE writing and distribution of the small tickets has been going on in the meantime, and it frequently happens that the error is discovered almost simultaneously with its announcement. At other times the whole corps of settling clerks may be detained an hour or more by further revision.

"If the tickets fail to expose an error promptly, the manager requires the clerk at either end to pass down the line with his statement, whilst the others call back, each the amount charged as delivered by the specie clerk. The second clerk follows the track of the first, and the third that of the second, as they successively pass. This is the final method of revision; and if the additions are correct, it must make the proof.

"ERRORS discovered within 45 minutes from the beginning of the distribution incur no penalty; but after that, they are chargeable with a fine, payable by the bank in whose figures they occur. The banks are therefore careful to send accurate and skillful clerks. It is, moreover, a matter of pride and economy with themselves to avoid errors, as they involve detention from home duties."



Thomas B. McAdams, retiring president of the Association, was vice-president of the Merchants National Bank, Richmond, Virginia

OFFICERS OF THE AMERICAN BANKERS ASSOCIATION



These two pages of portraits appeared in the November 1922 issue of the JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

The New York Convention of 1922

COLD wars hadn't been invented and Korea was just another peninsula when the American Bankers Association held its last full-scale convention in New York City.

The year was 1922. Then, as now, the world carried a heavy burden of worry left by a very hot war. Reparations, debts, and the many other economic, political and social maladjustments inherited from 1914-1918 provided a climate that resembled, in the magnitude of its international problems, the environment of the 1950 Diamond Anniversary convention.

The A.B.A.'s 48th annual meeting of 28 years ago centered at the Hotel Commodore, one of New York's newer hostelrys. The dates were October 2-6. Although the metropolitan setting contributed to the attendance, which broke all records by topping 11,000, the high calibre of the program, reflecting the pressures and scope of world events, attracted many bankers.

The Association's monthly magazine, then called the JOURNAL, reported that the proceedings were "characterized by a desire to help in the reconstruction overseas," an attitude that found expression in a resolution declaring the time has come for the United States "to formulate the principles on which it will be able to cooperate with other nations to bring about the needed rehabilitation of European countries and peace in the world."

Quoting the JOURNAL further, "the remarkable thing about the 48th annual convention was not the unparalleled attendance but the plane of its deliberations. Everywhere the proceedings were characterized by an earnest desire not only to advance the interest of a class, but by a desire to advance the prosperity and to better the condition of a people as a whole. Banking prosperity is first and last but a by-product of the general prosperity. An exemplification of this fact is found in the earnest consideration given by many speakers to the foreign situation, and by the close and sympathetic attention with which their discourses were received by the great

New York was the scene of three wartime meetings that functioned as A.B.A. conventions. In 1942 a special one-day meeting of the Executive Council on September 30 was, by resolution, declared a convention session. The next year the Association held a War Service Meeting, a two-and-a-half day streamlined conference at which attendance was limited and entertainment eliminated. In September 1945 a special meeting of the Administrative Committee on September 27 and 28 was designated a convention session by resolution, for purposes of transacting essential business.

concourse of bankers in attendance."

It was indeed a brilliant program that President Thomas B. McAdams, president of the Merchants National Bank, Richmond, offered the delegates when they assembled for the first main session on October 3. The keynote speaker was that eminent international banker, Thomas W. Lamont of J. P. Morgan & Company, chairman of the Reception Committee. His topic was "The American Banker's Responsibility." He closed his speech with these words:

"Nineteen hundred years ago it was St. Paul that said: 'For unto whomsoever much is given, of him shall much be required.' And a little before there was One who said: 'With what measure ye mete, it shall be measured to you again.' What shall we measure for ourselves? Shall it not once more be the courage that is America's tradition? Shall it not be the generosity as well as the justice that, among all the nations of the earth, will in truth and in name make America first?"

Other notable men addressed the convention at its main and divisional meetings. Among them were Dr. George E. Vincent, president of the Rockefeller Foundation, whose subject was "Public Health Assets"; Sir Reginald McKenna, chairman of the London Joint City and Midland

Bank, Ltd., London, "Reparations and International Debts"; Fred I. Kent, vice-president of Bankers Trust Company, New York, and chairman of the A.B.A. Commerce and Marine Commission, "Industrial and Trade Conditions"; Governor Henry J. Allen of Kansas, "Responsibility of Government for International Peace."

Others included Ambassador Henry Morgenthau; Publisher Frank A. Munsey; President Nicholas Murray Butler of Columbia University; President L. F. Loree of the Delaware and Hudson Railroad; Governor Benjamin Strong of the New York Federal Reserve Bank, whose big new building was being constructed in lower Manhattan; and Eugene Meyer, Jr., chairman of the War Finance Corporation.

A long message from President Warren G. Harding, a letter from Secretary of the Treasury Andrew W. Mellon, and a forum on branch banking were other headline features of the 1922 convention.

THE delegates elected to the Association's presidency John H. Puelicher, president of the Marshall & Ilsley Bank of Milwaukee, a man long active in promoting banking education. The new first vice-president (there were two veeps in those days) was Walter W. Head, president of the Omaha National Bank, while William E. Knox, president of New York's Bowery Savings Bank, took over the second vice-presidency.

New divisional presidents chosen were: Trust, Theodore G. Smith, vice-president, Central Union Trust Company, New York; Savings Bank, Samuel H. Beach, president, Rome (New York) Savings Bank; National Bank, Waldo Newcomer, president, National Exchange Bank, Baltimore; State Bank, H. A. McCauley, president, Sapulpa (Oklahoma) State Bank; Clearing House Section, James Ringold, vice-president, United States National Bank, Denver; State Secretaries Section, W. B. Hughes, Nebraska State Bankers Association.

In his inaugural, President Puelicher asserted that in no field could the banker be of greater service

"than in protecting the integrity of our banking and currency system." Then he added:

"We have the terrible example of Russia before us. Russia deserted the gold standard. As so many of the world problems rest on application of sound economics, the work of the Committee on Public Education to make that knowledge more general will continue to become more and more important."

The convention, by resolution, expressed emphatic disapproval of "the attacks made upon the Federal Reserve System and the members of the Federal Reserve Board individually. We believe," it said, "that there is no surer way of hindering a return to prosperity than by attempts to undermine our banking system, which has proved its value through an unprecedented time of stress and strain."

SPOKESMAN for the host city during the convention was the bankers' Committee of One Hundred, headed by Seward Prosser, president of Bankers Trust Company. Each delegate received a copy of the "Book of New York," a brochure of photographs intended "as a reminder of what New York is, how it became what it is, and as a guide to some of the places of interest." This "what to see and how to see it" aide was a souvenir worth keeping, and many bankers who attended that 48th convention undoubtedly still preserve it in their personal archives.

The entertainment features arranged by the Committee of One Hundred provided, in the JOURNAL'S



One of the illustrations in the JOURNAL's account of the convention was this photograph of Logan C. Murray, "one of the 17 original founders of the A.B.A." Mr. Murray, president of the U. S. National Bank, New York, was Association president in 1886

words, "just what the majority of the visitors wanted." For sight-seers there were bus trips around the city, a trip through Westchester County, a visit to the liners Majestic and America, and an excursion up the Hudson River to West Point where the bankers saw a special parade of the cadets and watched Seward Prosser, president of Bankers Trust Company, present to the Academy the Bankers Trophy, a silver cup "to be held each year by the company excelling in intramural athletics."

A fashion show for the women, a men's smoker, a ball, and theater parties were other attractions.

AMONG the "convention incidents" reported by the JOURNAL was the laying of a wreath on the grave of Alexander Hamilton, first Secretary of the Treasury and founder of the Bank of New York. A committee representing the A.B.A., the Sons of the Revolution, the New York Historical Society, and the Bank of New York participated in the Trinity churchyard ceremony. The wreath was placed by William G. Fitzwilson, A.B.A. secretary.

During the convention the enterprising Committee of One Hundred published a daily newspaper, delivered each morning to the rooms of the delegates.

"Every delegate," said the JOURNAL, "was welcomed officially on the telephone within 15 minutes after he registered at his hotel. To do this a staff of 400 men and 180 telephones installed in the various hotels and at the hospitality headquarters at the American Institute of Banking, were necessary. All of the men were volunteer workers from the banks and the bond houses."

"The New York City police," wrote the JOURNAL's reporter, "took charge of all the bus rides and ran them on schedule time. A squadron of 16 officers mounted on motorcycles preceded each of the parties. By ruling of the Police Commissioner in charge of traffic, the parties were given right-of-way everywhere they went. Many of the out-of-town visitors said they were impressed with the efficiency of the police as much as they were with what they saw."

The bankers visit West Point. Left, Seward Prosser, chairman of the committee of One Hundred, presents the Bankers Trophy to Cadet Captain Fritz Breidster. With Mr. Prosser is General Fred W. Slader, superintendent of the Academy. Right, bankers and their wives on the bank of the mortar pit watching an artillery drill



What the A.B.A. Published This Year

Since the 1949 convention of the American Bankers Association, the various departments of the Association have produced a great many important publications—large and small—designed to assist members in their day-to-day operations. Some of these publications are free, while others are available at a nominal cost. A list of these publications follows for the benefit of BANKING's readers.

GENERAL

Presents Day Banking, 1949-1950

ADVERTISING DEPARTMENT

Bank Advertising in 1950
Bank Services for You
Trust Services for You

AGRICULTURAL COMMISSION

Agricultural Credit and Related Data
Building for the Future with Farm Youth (Public Relations Series, No. 7)
A Program for Country Banks
Who Owns the Farm Mortgages?

BANK MANAGEMENT COMMISSION

Accrual Accounting (Publication 122)
Standards for Designing Checks and Drafts

BANKING (Journal of the American Bankers Association)

BANKING—Issued Monthly
BANKING's Effective Speaking by Lionel Crocker (Reprinted from articles published in BANKING)
BANKING's Newsletter—monthly
Government Activity in the Lending Field
A.B.A. News (House organ for A.B.A. Staff)

COMMITTEE ON CONSUMER CREDIT

Cautious Optimism for Instalment Credit (Bulletin No. 136)
The Instalment Credit Road Ahead (Bulletin No. 132)

COMMITTEE ON STATE LEGISLATION

Bank Tax Symposium; Comprehensive Review of State Taxation of Banks

COUNTRY BANK OPERATIONS COMMISSION

Results of Smaller Bank Survey for Job Classification and Evaluation Study
Service Charge Folder
Service Charge Survey

CREDIT POLICY COMMISSION

The Course of Business and Credit

CUSTOMER AND PERSONNEL RELATIONS DEPARTMENT

Testing Applicants for Bank Clerical Positions (not for circulation)
Customer Relations: A Guide to Staff Conferences (Public Relations Series No. 6)
Wage-hour Handbook for Banks

INSURANCE AND PROTECTIVE DEPARTMENT

Identification With and Without Credentials by Herman J. Beppler

NATIONAL BANK DIVISION

Comparative Ratio Figures on Earnings and Expenses of All National Banks

PUBLIC RELATIONS COUNCIL

Banking Film Information Bulletin
Customer Relations
Your Bank's Relations with Schools (Public Relations Series, No. 5)

RESEARCH COUNCIL AND COMMITTEE ON CONSUMER CREDIT

Consumer Credit Trends

SAVINGS AND MORTGAGE DIVISION

Investment Policies and Practices for a Savings Bank
School Savings Banking
Summary, National Housing Act (Titles I, II, VI, VII, VIII) and *Servicemen's Readjustment Act* (Title III)

STATE BANK DIVISION

Condition and Operation of State Banks in 1949

TRUST DIVISION

Cost Accounting Procedure for Trust Departments
Life Insurance and Trust Councils Directory
The Trust Bulletin, bound volume 1948-49

January 3, 1950, was the "first day of sale" for the three-cent stamp commemorating the 75th anniversary of the American Bankers Association. The event was marked in Saratoga Springs, New York, birthplace of the Association, by the opening of the stamp's sale at the local postoffice, a public meeting at Saratoga's famous Casino, and participation in the ceremonies by Assistant Postmaster General Joseph J. Lawler, William A. Lyon, New York State Superintendent of Banks, Earl Cook, a director of the Federal Deposit Insurance Corporation, and Secretary Muench of the New York State Bankers Association. Representatives of the A.B.A. included President F. Raymond Peterson and former Senior Deputy Manager Frank Simmonds. . . . Several banks, and the A.B.A. itself, issued special envelopes in connection with the event. . . . Secretary of the Treasury Snyder spoke on the program of the NBC's national radio stamp club. . . . Below, right, an enlargement of the stamp design. . . . Below, left, Mr. Peterson watching the cancellation process at the Saratoga postoffice



ENTERING NEW YORK

JUST 323 years after Peter Minuit bought the island for \$24 worth of trinkets, Manhattan's 1949 assessed valuation of taxable real estate, including special franchises, was \$8,263,994,725. The figure for the entire city was \$18,112,231,179.

IN 1657 New York paved its first street, at what is now Stone Street between Broad and Whitehall. The city now has 5,940 miles of streets, and any resident will tell you that the paving, tearing up and repaving go on and on.

PARKS and playgrounds in the city occupy an area of 26,193 acres. One-sixth of the area of the Bronx is devoted to the park system, the largest such proportion in any U. S. community.

STATEN ISLAND (Borough of Richmond) has the only "free port" in the U. S.

ONE restaurant chain, with 26 establishments in the city, reports that in a recent year it sold 7-million glasses of milk, compared with 7,700,000 bar drinks. Its customers drank 25-million cups of coffee, consumed 3-million griddle cakes, and—believe it or not—19,000 pounds of parsley.

NEW YORK has had 100 mayors and five acting mayors. The first chief executive of the city was Thomas Willet of Plymouth, appointed in 1665. The first after the Revolution was James Duane, who was number 44 on the list. He was appointed by New York State's Governor George Clinton.

THE area of New York City is about 321 square miles. Each of its five boroughs is also a county in the New York State governmental organization.

THE population is about 8,500,000. It was 800 when the city was incorporated in 1653.

THE city's waterfront is 578 miles long. The port of New York clears over 5,000 ships a year and handles almost half the nation's shipping to and from foreign ports. The first European to see the bay was Giovanni Verrazano, who entered it in 1524. It was once shown on maps as the Bay of Verrazano.

THE highest natural altitude in Manhattan is 267 feet above sea level. The highest man-made altitude is the top of the Empire State Building, 1,499 feet above Fifth Avenue level.

MANHATTAN'S 2-million inhabitants live in an area of 22 square miles. The island is about 12½ miles long

and 2⅝ miles wide at the widest point, near 14th St.

CONEY ISLAND was named for the rabbits, or "cunies," which overran it 200 years ago.

ABOUT 300 miles of hotdogs (if laid end to end) are consumed at Coney Island each hot weather weekend.

QUEENS BOROUGH boasts two of the most important airports in the world. New York International Airport, of 4,900 acres, is the world's largest and most modern. LaGuardia, of 550 acres, receives and dispatches about 336 planes a day.

BROOKLYN, if a separate city as it was before 1898, would be the nation's fifth in industry, third in population, and first in foreign trade. Known as the "Borough of Churches," it has 1,287 places of worship.

NEW YORK'S public library system is the world's largest. Its reference department has 3,500,000 books.

ABOUT 20,000 men and women comprise the city's police department. There are almost 12,000 in the fire department. The city's total staff of employees, excluding substitute teachers, transit employees and some others, is 167,348.

NEW YORK CITY voters registered in 1949 totaled 2,775,636. There were, among these, 484,722 Republicans and 1,818,812 Democrats. There were just 36 more Republican women than men.

IN the city's 829 day and evening school organizations there are 950,228 students registered.

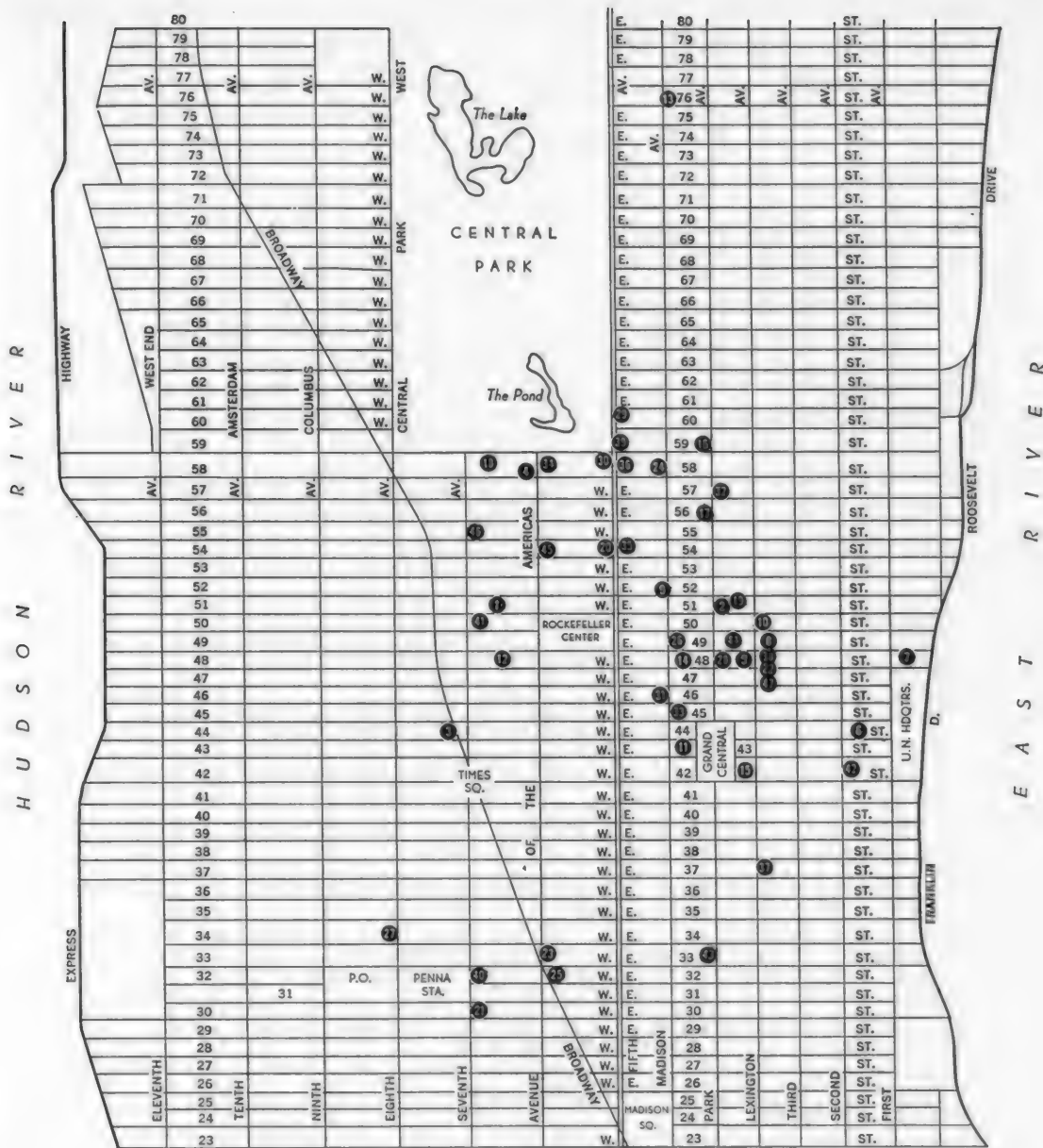
A YOUNG married couple, after a 72-mile an hour motorcycle dash, were the first to use the recently opened \$80-million Battery-Brooklyn tunnel.

FFIFTH AVENUE did not exist until 1824, but now it is the most famous shopping street in America. Stores on Fifth Avenue and all of New York's other streets did a retail trade volume of \$8-billion in 1948, latest period for which such figures are available. The number of sales establishments involved was 103,765.

THE BRONX is the only borough on the mainland. It was named for a Scandinavian, Jonas Bronck, who once owned 500 acres of land there. The Bronx River is now so narrow at some points that it can be jumped across, but during the Revolution the British ordered their fleet to use it!

W. P. B.

BANKING



LOCATION OF SOME NEW YORK CITY HOTELS

The following New York City hotels have set aside a limited number of rooms for the A.B.A. Convention

1. ABBEY, 149 West 51st Street
2. AMBASSADOR, Park Avenue, 51st to 52nd Street
3. ASTOR, Times Square
4. BARBIZON-PLAZA, 101 West 58th Street
5. BARCLAY, 111 East 48th Street
6. BEAUX ARTS, 307 and 310 East 44th Street
7. BEEKMAN TOWER, 3 Mitchell Place, East River to First Avenue
8. BELMONT PLAZA, Lexington Avenue and 49th Street
9. BERKSHIRE, Madison Avenue at 52nd Street
10. BEVERLY, 125 East 50th Street
11. BILTMORE, Madison Avenue at 43rd Street
12. BRISTOL, 129 West 48th Street
13. CARLYLE, Madison Avenue at 76th Street
14. CHATHAM, Vanderbilt Avenue and 48th Street
15. COMMODORE, Lexington Avenue and 42nd Street
16. DELMONICO, 502 Park Avenue
17. DRAKE, 440 Park Avenue
18. ESSEX HOUSE, 160 Central Park South
19. GLADSTONE, 114 East 52nd Street
20. GOTHAM, Fifth Avenue at 56th Street
21. GOVERNOR CLINTON, Seventh Avenue and 31st Street
22. LEXINGTON, Lexington Avenue at 48th Street
23. MC ALPIN, Broadway and 34th Street
24. MADISON, 15 East 58th Street
25. MARTINIQUE, Broadway at 32nd Street
26. NEW WESTON, 34 East 50th Street
27. NEW YORKER, Eighth Avenue and 34th Street
28. PARK LANE, 299 Park Avenue
29. PIERRE, Fifth Avenue at 61st Street
30. PLAZA, Fifth Avenue and 58th Street
31. RITZ-CARLTON, Madison Avenue and 46th Street
32. RITZ TOWER, Park Avenue and 57th Street
33. ROOSEVELT, Madison Avenue and 45th Street
34. ST. MORITZ, Sixth Avenue and 59th Street
35. ST. REGIS, Fifth Avenue and 55th Street
36. SAVOY PLAZA, 767 Fifth Avenue
37. SHELburne, (Sheraton) Lexington Avenue at 37th Street
38. SHELTON, Lexington Avenue and 49th Street
39. SHERRY-NETHERLAND, Fifth Avenue at 59th Street
40. STATLER, Seventh Avenue and 33rd Street
41. TAFT, Seventh Avenue at 50th Street
42. TUDOR, 304 East 42nd Street
43. VANDERBILT, Park Avenue and 34th Street
44. WALZ-CORP-ASTORIA, Park Avenue and 50th Street
45. WARWICK, 65 West 54th Street
46. WELLINGTON, 871 Seventh Avenue
47. WINTHROP, 501 Lexington Avenue

Modern Equipment Cuts Bank Costs

WILLIAM H. HURTZMAN

The subject of mechanized bank operations has assumed increasing importance in recent years as shown by the fact that at every gathering of bankers, both state and national meetings, the program is sure to include, by popular demand, some discussion of bank operation and methods. This is also true of the many meetings held by individual banks for various groups of their correspondents.

Therefore, this article by WILLIAM H. HURTZMAN, comptroller, First National Bank of Philadelphia, was selected by BANKING's editors as a presentation of "Educational Displays in Print" and as a means of calling special attention to a consideration of business machines, equipment and systems for which accommodations could not be provided in this year's 75th Anniversary A.B.A. Convention.

ONE of the greatest problems of any industry is cost of production. Sales, as well as profits, depend upon this all-impor-

tant point. In fact, the very existence of any business, including banking, depends upon keeping costs in proper relationship to sales. At the same time, the company or bank that can reduce costs and in turn sell its product or service to the public at a lower price than its competitor and still hold or better its margin of profit is bound to succeed, while its competitor soon becomes a marginal producer and then in turn ceases to exist.

In the banking business we are all too familiar with these facts. We have had the inside track of watching many industries and customers fall by the wayside because they could not meet competitive costs. However, we also have seen the results of those progressive companies and individuals who placed their shoulders to the wheel and further

advanced their product, streamlined their operations and developed and adopted modern methods and machinery, which resulted in an overall healthy condition. This continued progress also placed these so-called fortunates in a position to develop new products and services, reduce costs and in turn reduce sales price; all of which continuously increases sales, resulting in an overall increase in profits.

We Never Stand Still

What we may have failed to realize is that these conditions affect the banking business to the same extent as any other industry. We must realize that we never stand still; we either go forward or backward, and to go backward means only failure in the long run.

We have no choice but to analyze our banks along these same lines. While our product is more or less limited to service, our costs of operation create the same general problems as in any other industry. Therefore, keeping the above points in mind, with which type of bank would you prefer to deal: the marginal producer, poorly operated, and in turn costly bank, or the modern, well equipped, properly managed, streamlined, cost-conscious bank, well assured of its continued existence? Which bank do you think your depositors would choose? In which bank would your stockholders invest? In which bank would the general public place its faith and their accounts? The answer is obvious, the most efficient, lowest cost, well managed bank.

Following along these lines, we all know that the cost of operating a bank has been steadily increasing. Each year we seem to be confronted with new highs in operating expenses which must be partially or wholly offset by increased efficiency or additional customer charges.

(CONTINUED ON PAGE 202)



Is there a better way to do that accounting job?



**Burroughs new portfolio of accounting ideas
which have been tried and proved in banks across the nation**

Maybe your present general accounting procedures seem too complicated . . . too cumbersome.

Maybe some of your operations seem excessively expensive, inefficient, time consuming.

And maybe you'd like to eliminate these costly flaws in your present methods the way that other banks, in other sections of the country, have disposed of them.

Bank Accounting Simplified can help you do just that. It was assembled by Burroughs after years of studying, choosing, refining and combining the best ideas from banks all over the country into a simplified general accounting system. It covers all phases of bank accounting—suggests complete plans for your loan and discount, general ledger, daily statement, mortgage loan, trust, payroll and savings.

Your local Burroughs man will be happy to show you *Bank Accounting Simplified* . . . to let you see for yourself how this collection of ideas can help you raise the efficiency of your general accounting—and your margin of profit for the year. Give him a call today. Burroughs Adding Machine Company, Detroit 32, Michigan.



Burroughs General Accounting Machine handles bank accounting jobs with money-saving speed and ease.

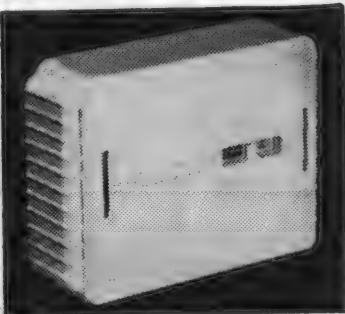
WHEREVER THERE'S BUSINESS THERE'S

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Solved!

The way to build a bank account! It's easy and fun with this Calendar-bank.



Deposit a nickel, dime or quarter in the right hand slot and your Calendar-bank shows the day — reminding you to keep your savings up to date! A quarter in the left hand slot changes the month, and there's an extra slot for "extra savings". By the end of one year, 25¢ a day will total \$94.25! In Gleaming ivory plastic, Chrome Back, Lock and Key — which you keep yourself. You need not have or open an account to get one — we offer them as a service to encourage Thrift.

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as Long as They Last

**A NEW BANKING SERVICE
NOW OFFERED BY LEADING
INSTITUTIONS THROUGHOUT
AMERICA!**

Our service only begins with the purchase of your specially imprinted Calendar-banks—showing your building or emblem and signature.

You are supplied free of charge Electric Displays, Chromium Framed Display Easels — and a full year's schedule of THE MOST POPULAR AND EFFECTIVE ADVERTISING YOUR BANK HAS EVER DONE!

For complete information
Please write

M. A. GERETT CORP.
Box 29, No. Tarrytown, N. Y.



MODERN WHEN THE A.B.A. WAS IN ITS TEENS

An office, in the late 1880's, of the Security Trust and Savings Bank of Los Angeles, ancestor of the Security-First National Bank

(CONTINUED FROM PAGE 200)

Higher Rates Aren't the Answer

An increase in service charges or interest rates to offset this trend is not the whole answer. We have no right to hide behind the skirts of increased rates unless we have done everything possible to keep our costs within reason and still give the most efficient service. Remember, the most successful industries are continuously developing new ideas, machinery and methods to hold costs down and increase sales.

A bank has the same economic obligation to perform. Let us always remember that it is our aim to spread our services continuously to a greater number of people in our community at a fair return to the bank. This does not mean that we should eliminate service charges or not increase rates, since charges that are fair can easily be satisfactorily explained. However, let us do everything in our power to reduce our costs before automatically increasing our customers' costs.

Salaries Shouldn't Suffer

Reducing costs should not be done at the expense of fair salaries. Every clerk and officer in a bank deserves to earn a salary based upon his ability to do a job. In fact, there is no better way to lose efficient help than to underpay. Therefore, it appears that we have to look for other ways and means of holding down our

costs and, at the same time, increase our service to the public, the stockholders and our depositors. Remember that if we cannot meet this demand, we will soon find ourselves replaced by competitive forces, whether in the form of another bank or some other financial agency.

To help accomplish our purpose we must continuously work on ways and means of perfecting our systems, streamlining our operations and producing on an assembly line plan wherever possible. All of this must be done without sacrificing that important item of service which is our stock in trade.

Like any other industry, in order to accomplish our objective we must continuously review our operating systems and equipment, compare and discuss our problems with other banks and make changes when a savings can be accomplished. The fact that we have a system which has been operating for the last 20 years is no reason why it should not be reviewed. In fact, a system that has been in use for 20 years without material changes certainly needs reviewing.

Modern Tools Needed

To operate any system efficiently, whether in a bank or in any other industry, modern up-to-date tools and equipment are most essential. When purchasing or renting equipment, the so-called high cost worries most of us. However, if you think

(CONTINUED ON PAGE 204)

handle 7 basic banking jobs on 1 machine

In a small bank, a single National Multiple-Duty Accounting Machine handles all seven of the basic bank accounting jobs listed herewith. It can be changed from one job to another in a matter of seconds. Its seven removable form-posting bars—one for each of the seven jobs—simply snap off and snap on.

Even the smallest bank will find it useful

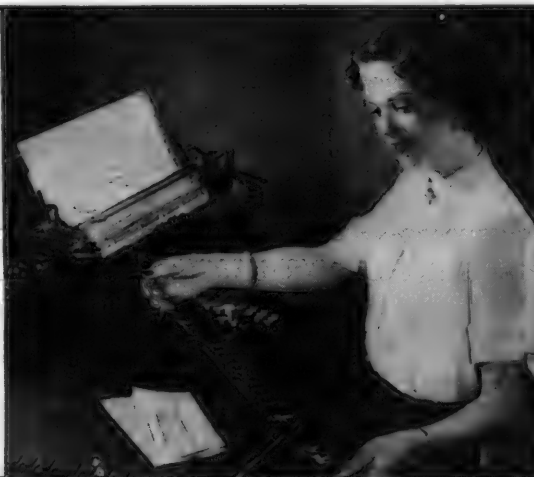
every hour of the banking day. In a large bank, separate National Multiple-Duty Accounting Machines may each be assigned to handle one, or more, of these specific jobs. And, during peak-load periods, jobs may be shifted between machines.

In every case, the National Multiple-Duty Accounting Machine helps you speed production

and reduce errors—as will any of the other National machines and systems designed expressly for bank use. Call your local National representative—a systems analyst—or write to the Company at Dayton 9, Ohio.

**These 7 basic banking
jobs all handled
on 1 machine!**

1. Individual Ledgers
2. General Ledger and Daily Statement
3. Regular and F.H.A. Mortgages
4. Loans and Discounts
5. Consumer Credit and Personal Loans
6. Payroll Records
7. Trust Accounting



National
ACCOUNTING MACHINES
CASH REGISTERS-ADDING MACHINES

THE NATIONAL CASH REGISTER COMPANY

of the equipment in terms of its life and apply the cost over its years of useful life, you will find the yearly cost is small compared to the savings which result from its use. You will find that over a period of time your modern equipment has paid dividends compared to your production with old battered equipment which was slow and expensive in the long run through the loss of time and service. Remember payroll time is the largest item on your expense account.

Let us assume that, if it is warranted, we are willing to place the best equipment in our banks. We also must be willing to employ efficient help to man the equipment. While this type help will command a higher salary, the production obtained will most certainly warrant the expenditure. Once again increased production, the result of efficient help and modern equipment, saves time, which reduces costs, the object of our program.

Our next problem is that of deciding which type or make of equipment will best fit our needs. This decision is extremely difficult to make for the reason that all manufacturers are now producing excellent equipment. The following are a few points (not necessarily in the order of their importance) that should be well thought out before

making a decision to purchase or rent equipment.

Aids to Customer Relations

(1) Which type of equipment will help improve our over-all customer relations program? Analyze what speed, neatness and accuracy mean to such a program. The importance of these items can be brought out by asking yourself one question: Would you or your customers be satisfied with the same type of records and service produced 20 to 30 years ago?

Neat, accurate records and fast service are a cheaper and better method of advertising for the reason that the results mean satisfied customers. Satisfied customers attract new business and new business means greater volume and greater profits.

Equipment That Covers Your Method

(2) Which type of equipment will work in harmony with your present and contemplated future operating systems? In other words, if you are convinced that your procedure is satisfactory, then purchase equipment that is designed to cover your method of operation. Never adopt an inadequate system in order to fit a particular manufacturer's product.

Analyze Operator Motions

(3) Operator motions and time studies on each make of equipment

should be carefully analyzed. The reduction of operator motions that are required for a transaction usually results in increased speed and less operator fatigue.

This is quite important, especially at the end of the day when the operators are tired and prone to make errors. Automatic machine transactions also relieve a great many operator motions and can help eliminate chance of error.

Equipment and Training Program

(4) Most of us have the problem of turnover in personnel. Therefore, again we must give consideration to which type of equipment fits into our training program. In most cases the more automatic the equipment, the easier to teach new personnel. Key boards that clearly reflect the use of the various keys are also desirable.

For example, a trainee operator, or even one with experience, can produce more deposit transactions per hour if he does not have to stop and think whether or not the machine is in position to post a deposit, and, in the case of a trainee, which button to press in order to make the posting. Automatic, well marked machines would help eliminate this problem.

Coordination Essential

(5) A most important point is to
(CONTINUED ON PAGE 206)

Lobby views of the Rhode Island Trust Company, Providence, before and after remodelling operations. This is an excellent example of the clean, orderly appearance that can be achieved by using modern bank fixtures



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REMYNTOIN RAND PUNCHED CARD MACHINES IN
ROOM AT BANK OF THE MANHATTAN COMPANY



How Bank of the Manhattan Company *cuts clerical costs*

...and why Remington Rand punched-card methods are used for more and more accounting tasks.

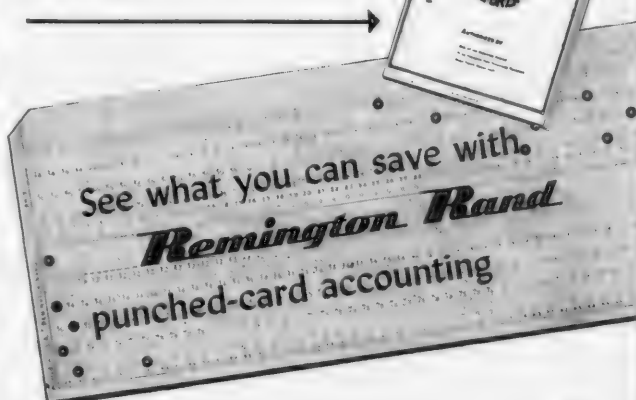
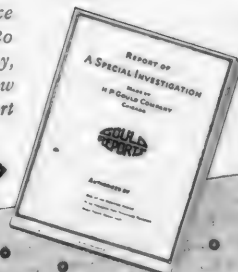
This story of progress and profit began in 1936 with large clerical savings in personal trust and custody accounting by use of Remington Rand automatic punched-card accounting machines and methods.

After the first nine years of successful use on a rental basis, this bank decided to take advantage of an additional \$180,000 saving through buying its machines outright under the exclusive Remington Rand purchase plan.

Another dramatic chapter started in 1946 with another saving in clerical costs—this time for corporate trust accounting, including dividend payment, stock transfer and bond redemption. Credited with these outstanding economies are the exclusive Remington Rand 90-column capacity punched card and certain exclusive automatic features of the Remington Rand punched-card machines.

And this story continues. Bank of the Manhattan Company has also added payroll, personnel records and job evaluation for still more punched-card savings.

Free on request — an impartial, outside study of some phases in Bank of the Manhattan Company's tabulating operations. Phone your local Remington Rand office or write on your business letterhead to Management Controls Reference Library, Room 2562, 315 Fourth Avenue, New York 10, N. Y. Ask for Gould Report No. 4603.



(CONTINUED FROM PAGE 204)

have your operators' acceptance of the new equipment. A new machine and its operator must act as a coordinated unit. If either one fights the other, time and energy are wasted, resulting in increased costs. Therefore, before purchasing or renting any equipment, you should have staff meetings to explain the new machines and what can be accomplished by the installations. Have the operators test the various types of equipment and then ask for their frank opinions. You will be surprised at the points brought out that just never would occur to you. This plan also increases employee morale and assures the success of the new installations for the simple reason that the employees will realize that they have been considered and are a definite part of the successful performance of the bank.

By-Products

(6) Which type of equipment will automatically produce the by-products that are needed? For example:

Automatic check count on the bookkeeping machines for analysis

purposes; interest bills, collateral cards, liability cards, ticklers and accrual figures as by-products of one operation in the loan department; asset cards, tax information, customer advices, etc., as by-products of trust department equipment.

Interdepartmental Uses

(7) A major problem, especially in the case of the smaller bank, is which equipment can be used in more than one department or operation. This is important for the reason that any equipment is worthless and costly during its idle hours. There is no better way to reduce costs than to have top production from your machinery. Many machines can be changed to do various operations in a few seconds simply by the operator changing a position bar. For example, there is no reason why one machine cannot post your deposit ledgers, bank ledgers, general ledger, loan and discount ledgers and many other operations if time permits. The use of a machine of this type, performing duties in a number of departments or operations, will soon pay for itself. The results are obvious—time con-

sumed and over-all costs are reduced, which in turn has its effects on profits.

Audit Data

(8) Which type of equipment will provide the best controls? This problem is close to all bank cashiers, comptrollers and auditors.

The more protection that can be placed around everyday transactions through the use of machine controls and audit safeguards, the safer the bank. Equipment producers are giving more and more thought to this point and developing machinery that will produce as a by-product audit and statistical information.

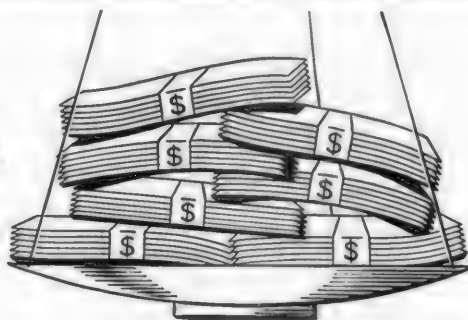
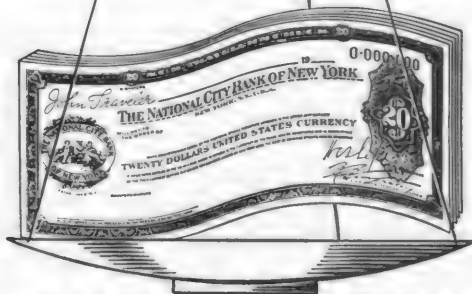
The Matter of Servicing

(9) Another major point that must be given consideration is which manufacturer will give you the most efficient service. The best mechanical equipment will break down at times and need overhauling or adjustments, which means that immediate service must be available.

Machines that are not always operating at top efficiency result in a

(CONTINUED ON PAGE 210)

A worthwhile profit!
earn \$7.50 on each \$1000 of
NATIONAL CITY BANK
TRAVELERS CHECKS
you sell!



You can increase your bank's earnings . . . easily, simply, surely. Sell NCB Travelers Checks, the "travel currency" that is spendable like cash everywhere, and refundable in case of loss or theft.

Consider the ease with which these transactions are completed and how highly profitable they are compared to many other banking facilities.

It will pay you to suggest to your customers when they withdraw money for travel that they transfer it into safe NCB Travelers Checks.

Ask about our merchandising plans. We will be glad to send you upon request free blotters, newspaper mats, leaflets and other descriptive material.

Banks retain ALL the selling commission—¾ of 1% on checks sold!

THE NATIONAL CITY BANK OF NEW YORK
First in World Wide Banking

Head Office: 55 Wall Street, New York 15, N. Y. 52 Overseas Branches Correspondent Banks Everywhere
Member Federal Deposit Insurance Corporation

Dictation is **EASIER**



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SMALL BUSINESS!...

the **AUDOGRAPH**
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This dictation method of **BIG** business,
applied to **SMALL** business needs . . . gets
things done at once!

● If you run a one-man business or one with part-time office help, you'll want AUDOGRAPH dictation for streamlining your business day.

For with AUDOGRAPH, *action* is instantaneous! No preparatory abracadabra . . . no adjustments to make, nothing to get out of order. You simply pick up the microphone and speak what's on your mind.

The time saved with AUDOGRAPH frees you for the essentials of planning, selling, administration! *The money it saves* virtually pays for the AUDOGRAPH in a short while.

AUDOGRAPH will operate *anywhere*, anytime . . . at home or *in your automobile*. It will record telephone conversations, sales interviews, conferences and even your inventory.

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Members attending the ABA Convention are cordially invited to visit our New York showrooms, 521 Fifth Avenue, corner of 43rd Street. Without obligation, you are invited to see and investigate AUDOGRAPH Dictating Equipment and the advantages of its use in the banking profession.

AUDOGRAPH sales and service in 180 principal cities of the U.S. See your Classified Telephone Directory—under "Dictating Machines." Canada: Northern Electric Company, Ltd., sole authorized agents for the Dominion. Overseas: Westrex Corporation (export affiliate of Western Electric Company) in 35 foreign countries.



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- Send me Booklet U-9—"Now We Really Get Things Done!"
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Again... Banks look Complete "Drive-in"

Today, more banks prefer Mosler-Duplex Auto-Teller banking than any other... That means — when you provide your depositors with *complete* Mosler-Duplex Auto-Teller Service, you *know* that you have installed the most modern, *tested means* to speed transactions — increase the customer-appeal of your bank.

The Mosler-Duplex Drive-In Window and Curb Teller are natural *business builders*... proven in service by hundreds of progressive banks....

They draw favorable community attention to your bank and daily remind passers-by of its forward-looking character....

They help you serve *more* customers, *more often*... in many cases, over 500 per day!

Moreover, each Mosler-Duplex unit is backed by the reputation of the largest builders of safes and vaults in the world — the company that does *more business in the drive-in banking field* than any other.

For maximum convenience for your customers — for greatest banking efficiency and protection for you — choose the auto-teller equipment most banks prefer.... Mosler-Duplex!!

Write us today for full details on these profitable Mosler-Duplex banking units. We'll send you valuable information, promptly.



NEW CONVENIENCE! UTMOST PROTECTION!—Any customer enjoys the *modern* convenience of banking right from the car door! And with a Mosler-Duplex Drive-In Window your bank gets utmost protection, because the unit features a bullet-resistive glass and steel enclosure; two-way speaker; package and payroll receiver; and gunport. Let us show you how quickly and easily a Drive-In Window can be installed in your bank building.



BUSY MOTHERS LIKE IT!—Yes, to busy mothers, especially those with small children, Drive-In Banking is a blessing. No parking problems! No standing in line with restless children! No time wasted from shopping duties! Now—they can make a deposit or cash a check from the car door—in less than a minute! No wonder these really modern banks are so popular with women!

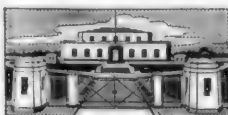
to Mosler for Banking Service!



LOCAL BUSINESS PROFITS—You'll be helping local business, too, when you install a Mosler-Duplex Drive-In Window. For shopowners, route drivers—all businessmen—it offers quick banking service, any hour of the day, even when traffic and parking congestion are heaviest.

THE SNORKEL... EXCLUSIVE MOSLER- DUPLEX CURB TELLER!

It's the patented Mosler-Duplex unit! This exclusive Mosler-Duplex Curb Teller saves time for depositors — boosts business for you! Banking facilities are located beneath the sidewalk, but visible to the depositor-in-auto through a special mirror arrangement. Street-level kiosk features teller door, two-way microphone, speaker, clock and call bell. An elevator with push-button controls quickly completes transaction... It's a modern miracle for customer convenience and banking efficiency.



Builders of the U.S. Gold Storage
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Main Office: 320 Fifth Avenue, New York 1, N. Y.

Offices in principal cities. Factories: Hamilton, Ohio

Largest Builders of Safes and Vaults in the World

TESTED RESULTS!

Mr. Russell J. Apgar, President, First National Bank, Roselle, N. J., writes:

"In one year alone (1948) our bank handled 62,664 transactions through our Drive-In Window... Our customers like this new convenient service and we have had many new accounts as a result."

Mr. Howard Cooper, Cashier, Union National Bank of Lowell, Lowell, Mass., writes:

"We find that for the last two weeks more than twelve hundred cars have used the Drive-In Window each week, which is in the vicinity of two hundred and fifty cars a day for a five-day week... It has filled the need that we have long felt in providing a place where our customers could make a quick deposit or cash a check without wasting time, finding a place to park or standing in line at a teller's window."

Mr. E. M. Kullgren, Cashier, The Colorado State Bank of Denver, writes:

"We are happy to report that we are exceptionally well pleased with the operation of our Curb Teller. By increased demand, our customers have daily demonstrated their approval and we have served as many as 140 cars in a day."

Mr. Henry A. Barnes, Director, Traffic Engineering Section, City and County of Denver, Colo., writes:

"... We feel that these installations are just good business for the City because we traded, in this instance, 3 parking spaces for 150 spaces, that would be necessary had the customers had to park their cars and enter the bank to carry on their business."



Drive-in facilities of the Fidelity Trust Company, Indianapolis. Mr. Hurtzman says that this is one of the services which will create customer goodwill, more business and more profits

(CONTINUED FROM PAGE 206)

slow-down of operator efficiency, which increases costs and slows down production. Therefore, it is most important that you double check the ability of the manufacturer to service his equipment.

With these thoughts in mind let us go over a few instances in which modern equipment coupled with efficient operation has actually accomplished one or more of our objectives: the reduction of costs, better public relations, neat accurate records, greater production per man hour and general up-grading of a bank and its personnel. The following illustrations are only being used for the reason that a number of banks have reduced costs by the installations and are not to be considered as recommendations. Each bank must make its own careful study based upon its own particular problems and then decide whether modern equipment will fit into its own individual situation.

The Tellers

The tellers department, from the standpoint of public relations, is one of the most important departments in a bank. Many customers deal only with this group and therefore form their opinion of the bank from their contacts with this department. Commercial tellers' machines certainly help us to accomplish many of our objectives. Think of the motions that a commercial teller must go through in accepting a deposit under the old passbook method. He must open the passbook, find the current page, hold the book open with one hand while he dips his pen in the ink with the other, makes his entry in

the book and dates and initials it, places his pen back in the ink, reaches for the blotter, blots the entry, closes the book and passes it back to the customer. In many banks he must then initial or stamp the deposit ticket and enter the deposit on a daily record of deposits received.

How Machines Help

A study will disclose that many of these motions can be eliminated by the use of commercial tellers' machines and the worn, ragged, expensive passbook with its disclosing unsightly entries can be discarded. Of course, the elimination of a number of tellers' motions and expensive stationery by the use of tellers' machines will reduce costs, build customer good will and increase the efficiency of your entire accounting procedure. The tellers' machine will produce for the customer a neat, accurate, machine-printed, registered receipt for his deposit and he will

not have to carry a pass book with him. If he loses a receipt, the finder will not know the depositor or his financial transactions. At the same time, the depositor will receive fast service at the teller's window.

Banks using this equipment report that deposit lines move at least 20 percent faster than under the old method. The teller will benefit by an over-all increase in his efficiency, will be proud of the neatness of his records and will be able to handle more customers with less effort. His final settlement time will be reduced considerably due to the fact that he has as a by-product of the teller's machine an itemized list and total of cash taken in and cash paid out, a total of all deposits taken in during the day and the number of deposits made during the day. Every deposit is mechanically numbered and dated, bears the teller's symbol and can be easily traced by these numbers and symbols if necessary. He is also assured that all of his transactions are recorded and mechanically registered in case of dispute from a source either inside or outside the bank.

Management Benefits, Too

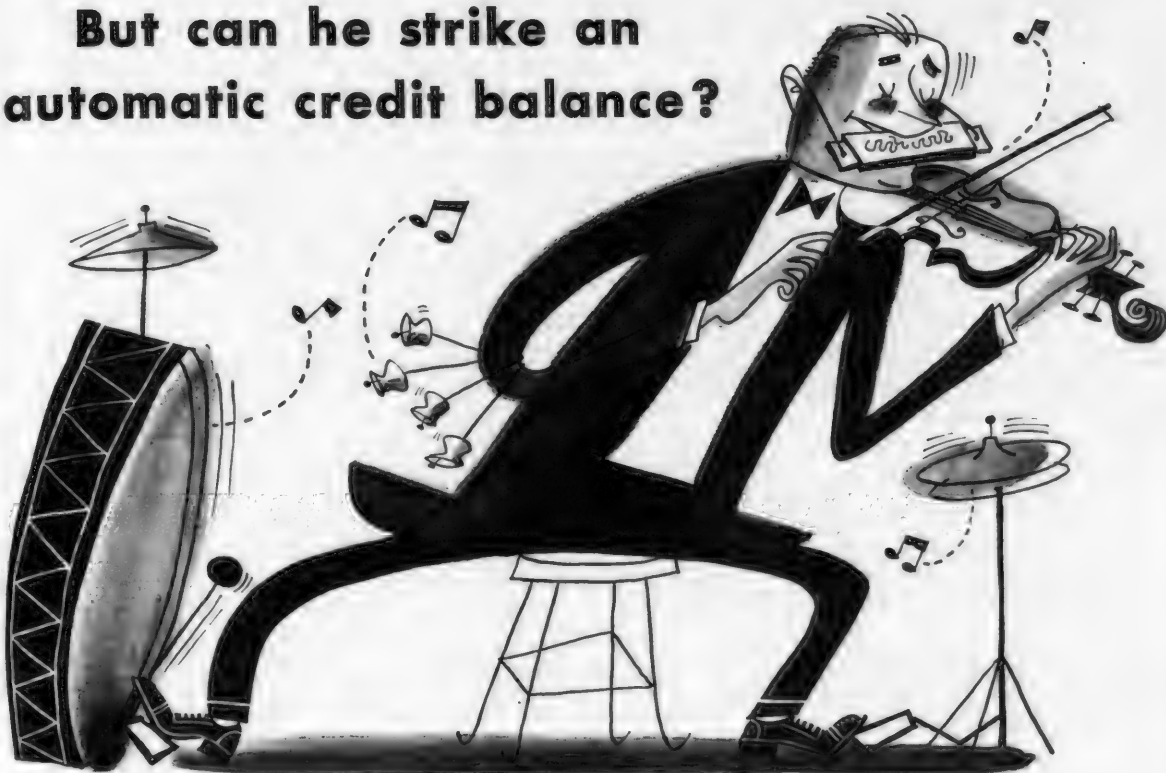
Bank management will benefit for the reason it has assurance that all receipted deposits are entered on the bank's books. There is a definite control of cash in and out and control of total deposits. Auditors will be able to make a more positive check by use of locked controls. A traffic survey at the tellers' windows can also be made by the tellers making memorandums on their

(CONTINUED ON PAGE 212)

Recently opened Seventh Avenue office of the New York Trust Company, New York City



But can he strike an automatic credit balance?



Versatile, this one-man Philharmonic—almost as versatile, perhaps, as that Monroe 410 Grand Total Adding Machine whose smooth, rhythmic action makes such sweet music to banking ears.

To mention only a few of its virtues: the 410 is a duplex type adding machine that adds and subtracts directly in either register without affecting the other. Or it will accumulate in one register individual totals listed in the other. Either way, recapping is eliminated when listing incoming or outgoing clearings, running batch sheets, proving old and new savings account balances—in short, any type of work that requires summarizing. Naturally, it “doubles in brass” as a regular single register adding machine where no accumulated totals are required.

Like a short but convincing demonstration of how this versatile Monroe can cut costs, save time, step up production in your bank? Call your local Monroe office, listed in the classified section today.

LOOK TO MONROE FOR:



- ☆ Glareless, Cushion-topped Keys
- ☆ Direct Subtraction
- ☆ “Velvet Touch” Ease of Operation
- ☆ Automatic Credit Balance
- ☆ Versatility

and other outstanding Monroe features, plus topflight service by specially trained representatives.

MONROE

MACHINES FOR BUSINESS

Monroe Calculating Machine Company, Inc., General Offices, Orange, N. J.

REBATE INTEREST on PERSONAL LOANS

figured in a matter of seconds

Earned and Unearned interest on Personal Loans or Small Loans figured as of any date for the entire Loan Department for Income Determination... in a small fraction of the time normally required. Call your local Friden representative for a copy of the

FRIDEN AUTOMATIC MONTH COMPUTOR and REBATING METHOD

and a demonstration of what this marvelous *ultra-matic calculator* will do for you. No obligation.

One of the largest Banks in the country writes:
"We have purchased Friden ultra-matic calculators to be used with the Friden Automatic Month Computor and Rebating Method and are glad to say this has resulted in extreme accuracy as well as appreciably increasing the speed in handling the rebates of unearned interest."

Friden Mechanical and Instructional Service is available in approximately 250 Company Controlled Sales Agencies throughout the United States and Canada.



FRIDEN
CALCULATING MACHINE CO., INC.

HOME OFFICE AND PLANT • SAN LEANDRO, CALIFORNIA • SALES AND SERVICE THROUGHOUT THE WORLD

(CONTINUED FROM PAGE 210)

tapes each hour as to the time of day. Information of this type should be quite valuable to management for the purpose of determining the number of tellers to employ at the windows during peak periods. This also helps in determining individual teller's efficiency. Reducing the time a customer must stand in line improves customer relations, which, of course, is always a major problem of management. The fact alone that a teller can handle more customers per hour proves that costs can be reduced by the use of tellers' machines.

Currency Counting

The possibility of currency counting machines should be carefully considered. These machines will count as high as 800 pieces of currency per minute—far in excess of hand counting. Banks that handle any sizable volume of currency either to or from the Federal Reserve bank, correspondent banks, or even its own transactions between branches and tellers will find that these machines will definitely cut time and reduce costs.

Some banks are now using this equipment to count checks and other items when a fast accurate count is needed. Others are experimenting in the use of these machines with an attachment for stamping a bank's final payment stamp on the face of the checks, of course, with the thought in mind of further reducing costs over their present procedure.

Aids to Better Service

A study of night depositories, curb depositories, drive-in banking and parking lots has quite often paid dividends through the medium of better customer relations. Many of us have had trying experiences with customers wanting to visit the bank and having had to drive around the block several times before being able to park, or having to park several blocks away and walk to the bank. How many times have you seen customers rush into the bank and ask other customers, "May I get ahead of you in line? My car is illegally parked." They are all upset.

Banks that are in a position to operate drive-in banks and parking

(CONTINUED ON PAGE 214)



Take just a few moments...

Discover the advantages of the

10-KEY KEYBOARD

The New
**UNDERWOOD
SUNDSTRAND**
*Bank
Model*
**ACCOUNTING
MACHINE**



The modern way to Post Depositors Checking Accounts

Note that operator's eyes are focused on the posting media . . . not the keyboard! Because of the Underwood Sundstrand Touch Method there is no need to look at the keyboard . . . no tiresome head-

When you're attending the American Bankers Association Convention, Sept. 24-27 at the Waldorf-Astoria, New York, be sure to see the Underwood Sundstrand Bank Model Accounting Machine, on display at:

Underwood Corporation
ONE PARK AVENUE, NEW YORK 16, N. Y.
UNDERWOOD LIMITED, 135 Victoria St., Toronto 1, Canada
Accounting Machines... Adding Machines...
Typewriters... Carbon Paper... Ribbons

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Sales and Service Everywhere

swing from posting media to keyboard. The modern Front Feed Carriage provides full visibility at all times . . . simplifies form handling.

Furnished with or without automatic check count feature.

Underwood Corporation, One Park Avenue, New York

Please send me further information on the new Underwood Sundstrand Bank Model Accounting Machine.

Name and Title _____

Name of Bank _____

Address _____

City _____ Zone _____ State _____

B 9-50

AN INVITATION TO INVESTIGATE WHAT'S BEHIND THE NAME, "*ThriftyCheck*"


► A trade-name is only as important as the men, the products, the quality and, most important, the initial and continuing Service behind the name.

► *ThriftyCheck*, in successful operation countrywide, symbolizes, to the public, an easy-to-understand, quality service at low cost. Exclusively to but one bank in a community, it means a trouble-free, profitable department.

► *ThriftyCheck*—and only *ThriftyCheck*—has been supplying special equipment for on-the-spot imprinting as part of its Low-Cost Checking Plan for more than 12 years. Besides furnishing complete operating supplies and volume-producing promotional material, *ThriftyCheck* now offers its sensational automatic-feed, power-operated **THRIFTIMATIC** machine which imprints *ThriftyChecks* in end panel, upper left or over signature line, as well as standard-layout deposit tickets. The **THRIFTIMATIC** will also imprint 1, 2 or 3 lines on pocket size checks for Regular Checking Accounts.

► We invite you, while attending the A.B.A. Convention (or any other time) to visit us and investigate the *ThriftyCheck* Plan, the **THRIFTIMATIC** imprinter, and our other New Business Development facilities.

BANKERS DEVELOPMENT CORPORATION
31 Nassau Street, New York 5, N. Y. REctor 2-7580



Tensile Strength of 60 lbs.!

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FEDERAL BILL STRAPS

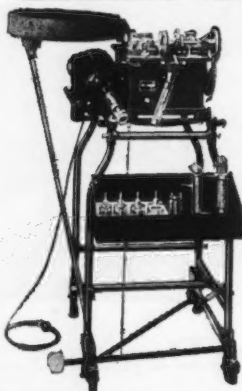
MADE of 50 lb. best quality Kraft paper, "Steel-Strong" Federal Bill Straps have a tensile or breaking strength of 60 lbs. per square inch.

Normal and reversed figures, plus different color for each denomination, instantly discloses value of package, in any position. Special clean, sanitary, vegetable adhesive sticks instantly.

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Write today, to Dept.

The C. L. DOWNEY Company
HANNIBAL, MISSOURI
World's Largest Mfrs. of Coin Wrappers

FOR HANDLING MONEY



Model 4ET-5: Electric Coin Counter for all coins. Locks after counting 20, 25, 50, 40 or 50 coins or counts indefinitely into a bag. Register can easily be reset to zero. New mechanism eliminates wear and friction. Fast, durable.



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All Abbott Machines can be furnished for all Foreign Coins and Tokens at NO Extra Cost. Write for complete information and catalogue of **BANK SUPPLIES and OTHER MACHINES.**

Abbott Coin Counter Co.
143rd St. and Wales Ave. New York 54, N.Y., U.S.A.

(CONTINUED FROM PAGE 212)

lots certainly have an advantage over others and are going to create customer good will and more business through their use. This good will and additional customers naturally mean more profit.

An investigation of postage meter and sealing machines will also disclose a definite saving in time over the older method of hand sealing and placing stamps on envelopes if a bank's volume warrants an installation. These machines also afford controls over postage expense that are almost impossible under the hand method. The equipment is so designed that it will also print a certain amount of bank advertising on the envelope as a by-product at the same time that the postage is being recorded.

Folding machines are now widely in use. This equipment can be used on many types of folding, such as statements, form letters, circular, etc. Equipment of this nature saves many hours of labor and, at the same time, provides neat, business-like results.

Uses of Microfilm Equipment

If the volume in a bank warrants it, microfilm equipment can be used to great advantage. Machines for this work can be purchased or rented. This equipment can be used to advantage in almost all departments of the bank.

For example, in your proof or transit department, if you photograph your checks all descriptions can be eliminated on cash letters. In the bookkeeping department, by photographing checks and statements, ledger cards can be eliminated.

Ability to reproduce actual records and checks makes available many services to customers which otherwise would not exist. Also, in many cases it would allow your own bank to prove claims to your customers' satisfaction that would be impossible under ordinary circumstances.

Proof Machines

Proof machines have become more important as a time-saver. Here again the equipment can be purchased or rented. Under the old batch system items had to be handled numerous times before being

(CONTINUED ON PAGE 216)

There's Profit for Your Bank

in Using **IBM** Proof Machines

Banks everywhere—large and small—have found using IBM Proof Machines saves considerable time and money. Your bank, too, can profit from the flexibility of these machines, their speed, and accuracy, whether you handle a thousand or a million items a day.

The new IBM Proof Machines are adaptable to a wide variety of bank applications, keeping them all under perfect control.

They eliminate time-wasting repetitive handlings. They provide the all-important, positive proof by LOCKING OUT depositors' errors. Yet the fully electric keyboard is so easy to use that operator effort is at a minimum.

Bring all the advantages of an IBM Proof Machine to your bank. It's an overhead-cutting investment you will want to investigate without delay.



Automatic sorting and endorsing!
Fast, all-electric operation!
Constant proof!
Totals and tapes available for all distributions!
Positive item identification!

Three models to meet every bank's needs:

32 distributions	32 totals	32 tapes
24 distributions	24 totals	24 tapes
24 distributions	24 totals	8 tapes



Send for
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IBM, Dept. BN
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Please send me your booklet on the
IBM Proof Machine.

Name _____

Address _____

City _____ State _____

INTERNATIONAL BUSINESS MACHINES CORPORATION

routed to their final payment point. The modern proof machine will prove each deposit as the operator processes the checks and, at the same time, the checks are sorted into bins or holders according to their final point of payment.

As a by-product (while checks are being sorted, itemized and tallied) tapes for each compartment are being prepared within the machine. This saves many additional runs. Efficient operators can process between 800 to 1,000 items per hour through these machines. Their final settlement time is also shortened due to the automatic proof on each deposit. The automatic proof on deposits also saves many hours of labor trying to trace errors over the old batch system.

General Ledger

The general ledger of a bank readily lends itself to the adoption of modern machinery. However, surveys disclose that numerous banks still maintain the costly pen and ink posting method. Without modern equipment this department must of necessity utilize the services of higher paid clerks or officers for the reason that experience in balancing accounts is a necessity.

Many banks do not realize that with the use of proper forms, ticket entries and modern equipment most anyone could post the ledger and prepare statements. Here again, the machinery automatically produces the results in a neater and more efficient manner than the old pen and ink procedure. Errors are reduced to a minimum and final settlements and statements are produced quickly, neatly and accurately. Income and expense accounts

can also be posted by the use of these machines, again saving time. Ledger cards are used instead of expensively bound books; entries and descriptions are neatly typed instead of the laborious hand method.

Double Duty Possible

It is believed that the real reason for the lack of machinery in the general ledger department of a bank is the cost of the machines based on the small amount of time they would be in operation. However, when you realize the saving in salaries by the use of less expensive personnel, plus the fact that there is no reason why the machinery cannot be used in other departments when not needed for posting, the saving then becomes apparent.

As previously mentioned, many modern bank machines have removable bars that allow you to post any number of different operations on the same equipment. For example, there is no reason why these machines could not be used in the general ledger, individual ledger, proof department and many other departments in the bank that need a typewriter or bookkeeping machine.

Bank Printing

Many banks now print their own checks, deposit tickets, and forms for use inside or outside the bank. Some banks even print their own small or personal loan coupon books, as well as other forms, all with the thought in mind of driving down the over-all cost of production, which is a major item when figuring net profits. The neatness and accuracy that has resulted has had its effect on depositors and other customers and the good will created has brought in new business.

Stenographer Savers

The attention being given to streamlined and mechanized bank operations is indicated by these remarks at a recent A.B.A. meeting: "When the department gets beyond the one-man-and-a-secretary stage . . . it is time to begin looking at machines to save time for both the executive and his stenographer."

In this connection, the experience of a large Wall Street bank is particularly interesting. The result of a month's trial of electronic dictating machines in one department is that all departments now use over 100 machines, the entire cost of which was amortized from resulting economies in less than one year. This bank's trust men operate in groups of three, and, with dictating equipment, one stenographer can give equal attention to each member of the group.

Common Sense Surveys

There can hardly be a question in any banker's mind that we must be cost-minded to keep our bank in existence and be able to compete with the fellow across the street.

At the same time, many of the suggestions we have just reviewed are not new to you and are really only the result of using common sense coupled with our everyday work. Why not set aside a certain amount of time each day or week for the purpose of surveying the operations of your bank. Investigate the possibility of modern equipment and improved systems. At the same time keep these few points in mind.

Remember—

1. What are the production figures of your tellers, bookkeepers, proof department, personal loan department and other departments?
2. How do your production figures compare with other banks?
3. Do you have the best equipment in order to save time and expense?
4. Is such equipment properly arranged to save time?
5. Is each clerk properly trained to make the most of his job?
6. Are you unnecessarily duplicating your operations?
7. Are your employees trained and educated to make suggestions as to how to do a better job for the bank and its customers?

Dictating machines in the offices of the Bank of New York and Fifth Avenue Bank



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